



the Accountant

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Money matters in any business require a professional

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How TAA shed light on CAG report



**Authority
determined
to modernise
revenue
collection**



**Deliberations
of the
National Tax
Dialogue - the
ideas behind
challenges**



**Where are
the female
accountants?**

JINSI YA KUFUNGUA AKAUNTI NA KUWEKEZA KWA SIMU.

- 1 Nenda kwenye menyu ya serikali *152*00#
- 2 Chagua **Malipo**.
- 3 Chagua **WHI**.
- 4 Chagua **Tengeneza Akaunti Binafsi** na jaza majina yako kamili na tarehe ya kuzaliwa.
- 5 Utapewa namba ya Akaunti na Namba ya Malipo (**Control Number**) ya kudumu.
- 6 Wekeza kuanzia sh.10,000 na zaidi mara nyingi uwezavyo kwa kutumia (**Control Number**) hiyohiyo.

NJIA ZA KUFANYA UWEKEZAJI KATIKA MFUKO WA FAIDA.

- 1 Nenda kwenye menyu ya miamala kwa mtandao husika (M-pesa, TigoPesa, AirtelMoney au Halopesa)
 - 2 Chagua **Lipa Bili**.
 - 3 Chagua **Malipo ya Serikali**.
 - 4 Kisha utaingiza **Control number yako** na **Kiasi cha Fedha** unachotaka kuwekeza.
 - 5 Unaweza pia kuwekeza kwa **SimBanking** kwa Benki zote au Wakala wa CRDB.
- * Hakikisha unapofanya uwekezaji kupitia Benki, Uwekezaji ufanyike kupitia **Control number**.

Karibu watazania wote kutumia fursa hii kuwekeza na Faida Fund na kujipatia kipato

Faida Fund inadhibitiwa na Mamlaka ya Masoko ya Mitaji na Dhamana (CMSA)

Mikocheni Regent Plot No 110 (Apartments)



Njia rahisi za malipo

Ziko karibu na huduma muhimu za jamii

Ziko aina tatu (Studio, vyumba viwili na vitatu)

Nyumba nzuri za kisasa na bei nafuu

Contents



What can TAA do to groom its members
pg 6



Make difference in your profession with TAA - CEO
pg 8



Recruit TAA mentored Accountants, NGOs advised
pg 27

Contents

Taking a loan is not curse, heed professional advice
pg 12

TAA runs Accountants Week in Dar es Salaam
pg 13

Plea bargaining as a contemporary issue in TZ criminal justice system
pg 14

VICOBA is catalyst in poverty fight
pg 15

Why finance was key agenda in AGRF 2023 Summit
pg 16

Join TAA family for mentorship
pg 20

Ambitious horticulture's blueprint eyes \$1 billion export value
pg 28

The changing funding landscape in the Eastern Africa region
pg 29

Management of grants and sub-grants received by NGO
pg 30

What members say about TAA
pg 32

What High School students say about studying Accounts
pg 33

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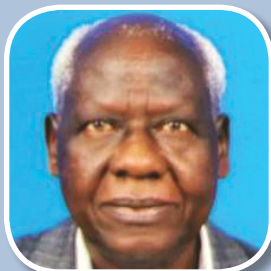
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How TAA shed light on Controller and Auditors General report



By **DAILY NEWS** Reporter

The word CAG has become a household name in Tanzania to the extent that wherever it is mentioned, wrinkles grow in institutions with fishy deals knowing very well that professional Auditors are about to catch up with them or must have smelled a rat.

This should not be case because according to the law- the Controller and Auditors General (CAG) is mandated to examine, inquire into and audit the accounts of all accounting officers and receivers of revenue on behalf of the National Assembly. In exercising this mandate, the CAG has powers to call upon any officer for any explanation and information.

To paraphrase former Speaker Pius Msekwa quotation: "The annual Reports of the Controller and Auditor General (CAG) have always revealed huge losses that are consistently incurred by the government, of the money that was granted to it by Parliament; which are losses resulting from either mismanagement or misappropriation of such funds, or even from outright "thieving" by the government officials who are entrusted with the responsibility for managing these funds.

Thus, just like the poor farmer or peasant who loses a significant proportion of his produce, known as "post-harvest" loss; the government suffers similar "post-budget" losses"; in the sense that after Parliament has granted large sums of money (amounting to tens of trillion of shillings) to the government for expenditure during the following financial year; large chunks of that money

are 'lost', through either mismanagement, or misappropriation, or theft. Oh, what a cruel world!

Under the provision of article 143(4) of the Constitution of the United Republic, the CAG is required to submit his Audit Report first to the President, and thereafter, to Parliament. Thus, very soon after receiving the 2021/22 audit report, and after listening carefully to the detailed presentation made by CAG Charles Kichere, President Samia Suluhu Hassan expressed her disappointment and disgust, by lamenting bitterly thus: "we are killing our country!"

Narrowing into this, recently the Tanzania Association of Accountants (TAA) being a pool of professional Auditors and Accountants, recently organized a forum, where some of its personnel had a debate aimed at enlightening the public on the importance of CAG unveiling its report so that mentioned institutions correct/learn from their mistakes, expose graft in misusing public funds trusted in their midst and be probed by investigative agencies like Police and the Prevention and Combating of Corruption Bureau (PCCB) book suspected embezzlers.

To quote one of the organizers, TAA External Auditor CPA Lupiana Lupiana, was also one of the facilitators, CPA Lupiana Lupiana: "TAA thought it wise to run the CAG report debate professionally as Accountants and Auditors so that it is made simple for a layman to understand.

It is unprofessional to interpret and jump into conclusions of the CAG report in the public, why should people rush to say-money has been squandered without waiting to

listen to professional Auditors and security organs issue statements with analyzed data?

"The reality is supposed to be unveiled by professionals like TAA team to advice way forward, where to correct, who to pin down as a suspect and with such ideas... it is upon Accountants and Auditors to come out enmasse and shed light to the public, whose funds are running the councils as revenues."

As the debate progressed, another facilitator, CPA DR Indial Kaaya, who is a don at the Institute of Finance Management (IFM) noted that it is time Internal Auditors attached to institutions such as those named by the CAG report to be left independent to do their work and advice, where necessary to avert ugly picture being revealed and exposed by External Auditors that their funds are being misused.

He added: "We need to reinforce internal auditing system in the Councils and Municipals or institutions so that they realise that they are dealing with public funds, which require scrutiny and constant updating.

"In this case, I would advise that TAA Auditors visit their counterparts in such areas for mentorship and advice on how to remain focused in their operations without external forces' interferences."

While commending CAG for the transparent report, the facilitator further said their unbiased work unearthed many things and should be used by the government as a yardstick to measure its performance and again, adding that this is an alert that there must be an internal monitoring system to control funds in the councils/institutions

Again, to avoid the resurfacing of the same weaknesses in the institutions/councils as was exposed by CAG in some councils in the previous year and this time again, it is necessary that the trio (government, public, parliament) come to a joint page on how to punish culprits.

Asked why some Councils have no auditors or the ones with them have their wings tied, yet there are several of them in the streets with no employment, the don said: "It must be a weakness on the side of the committee tasked to frequently inspect Internal Auditors. By law, Internal Auditors should be employed by Councils to control funds, especially collected revenue or just the expenditures and not necessarily Accountants."

On his part, TAA Vice-President CPA Victorious Kamuntu said the open debate on the CAG report between TAA, Accountants, Auditors and other stakeholders should be routine to enlighten the public on how their funds are spent in institutions, and where a scam is unearthed, the suspects are taken to court.

He added: "We organized the debate with three major opinions...first to receive stakeholders' interpretations of the CAG report, second as Accountants and Auditors to advice the government on what to do and lastly as TAA to work on the weaknesses identified by CAG."

Commenting, another facilitator CPA Jackson Mnyari explained that the procedure of unveiling the CAG report was itself professional to give the independent parties time to peruse and make recommendations.

What can TAA do to groom its members



By **CPA Happiness Nkya**

Grooming! You might have heard about the term as it applies to children upbringing, but adults can also groom other adults – even at work and more so associations like the Tanzania Association of Accountants (TAA). By definition, grooming is when someone (in this case read an association) builds a relationship, trust and emotional connection with someone/others so that they are raised in a desired way.

In this scenario, I, CPA Happiness Nkya, would suggest:

1. All Graduate Accountants/Auditors must

be placed under practising firms/Senior Accountants or Auditors for experience acquisition before they are fully registered.

2. TAA to have mentoring programmes and follow up mechanism to monitor performance of its members

3. TAA to carry out regular Trainings and Seminars to its members and aspiring members eg Accounting students in Higher Learning Institutions

4. TAA to develop a comprehensive Code of Ethics for all members to abide with.

5. TAA to have regular Social gatherings for its members to interact like what we used to have in the past eg Week end Schools when

members and their families would gather together and deliberate on issues of professional interest in a relaxed mood.

This is solely done with the notion that mentoring is to help mentees tap into the knowledge of those with more experience than themselves and learn faster than they would on their own. It's also an opportunity to grow their network and connect with leaders rather than only their peers.

It is a professional pool, where for mentors, it's an opportunity to prove their knowledge and leadership skills. They can validate that they're a clear communicator and receive the intangible benefits of giving back to more junior employees. We learn best by teaching and being a mentor is an effective way to hold leaders accountable to be role models for the organization.

Businesses that organise formal mentoring programs stand to benefit from building a strong culture that's more connected, more engaged, and filled with employees who want to grow within the organisation rather than leave and that is what Accountants and Auditors long for.

It may be reasonable to say that in the future, companies with effective mentorship programs will be the ones attracting the top talent and generate novel innovations that lead to tremendous success. What reasons are there not to have a mentoring program within your organisation? None, for sure

Orphanage donation: TAA makes a difference in lives of many

Parents or no parents, the needs of every child are the same. When a child doesn't have a good place to live, an orphanage provides that child with a safer home until a better home can be found.

Or put in another way, every child needs a safe home and loving individuals to care for and nurture them into adulthood and with that school of reasoning, it was hats off to Tanzania Accountants Association (TAA) President, CPA Godvictor Lyimo, when (in March, 2023) he led his team to visit Mongolia Orphanage Center, where children with mental problems are nurtured in Sinza, Dar es Salaam.

In the team of experienced Accountants and Auditors including Hon. CPA Japhet Hasunga MP for Vwawa, Esther Matiku (Member of the Government Accounts Committee), CPA Alphayo Kidata Chief Commissioner of the Tanzania Revenue Authority (TRA), CPA Pius Maneno Director General of the Board of Accountants Tanzania NBAA, CPA Dr. Fred Msemwa, Chief Executive of Wananchi Housing investment, CPA Happiness Nkya, enticing donations were made to the institution to enable them help the children with mental problems as part of making the Accountants Week also to cover the less

fortunate in the society.

Making a statement, CPA Lyimo noted that helping the needy and other vulnerable people in the society forms part and parcel of TAA notion to plough back to the community where it operates.

He added: "The world and global society benefit when we help orphaned children. Instead of harming them and others, they grow up to be responsible, healthy, adults that give back to the community they live in instead of taking away from it. By donating to charities for orphans, you can make a difference in the lives of these children and help ensure they have access to the resources they need to thrive.

There are many reasons why you should consider donating to orphanages. Here are a few:

To Provide Basic Necessities: Orphanages rely on donations to provide basic necessities such as food, clothing, and shelter to the children they serve. By donating, you can help ensure that these children have access to the basic necessities they need to survive.

To Provide Education: Education is critical for the future success of orphaned children. By donating to orphanages, you can help ensure that these children have access to edu-

cation and the opportunity to build a better future for themselves.

To Provide Emotional Support: Losing a parent or being separated from one's family can be traumatic for children. Orphanages provide emotional support and a sense of community to children who have experienced loss. By donating, you can help ensure that they can provide the emotional support these children need.

To Make a Difference: Donating to orphanages is an opportunity to make a difference in the lives of vulnerable children. By contributing you are helping to ensure that these children have access to the resources they need to thrive."

Receiving the material support and cash money, the principal of the Sinza Maalum, Nassoro Sukuzi thanked the TAA for the aid and asked also other the community members to help them in nurturing and teaching children with mental problems that the society is with them.

Commenting, Mwalimu Nasra Kilanga advised parents with children with mental problems, in Mongolia and Sudan areas in the city not to hide them, but bring them to the institution, because they will recover completely and return to their normal state.

Deliberations of the National Tax Dialogue - the ideas behind challenges posed by Section 56 of the Income Tax Act, CAP 332

By CPA Godvictor Lyimo - TAA President

Deliberations of the National Tax Dialogue - the ideas behind challenges posed by Section 56 of the Income Tax Act, CAP 332.

The tax treatment of offshore indirect transfers, in essence, the sale of an entity owning an asset located in Tanzania by a non-resident has emerged as a significant issue in Tanzania.

A "transfer" is a change in the ownership interest in an asset, in whole or in part, whether between independent or related parties. Transfers of ownership may give rise to a taxable capital gain (or loss), and this is the main concern to address. Transfers can be direct or indirect. A direct transfer involves the disposition of a direct ownership interest in an asset, in whole or in part whereas, an indirect transfer involves the disposition of an indirect ownership interest in an asset, in whole or in part.

It's important to note that offshore transfers are transfers in which the transferor is resident for tax purposes in a different country from that in which the asset in question is located, and the transferor does not have a permanent establishment in the country in which the asset in question is located.

Prior to 2012, an indirect shares disposal assessment was contested with respect to capital gains tax ("CGT") between the shareholders of an Australian Company called East African Gold Mines Ltd (EAGM) incorporated in Australia and Placer Dome Inc. which is a Canadian Company. The Canadian Company bought the shares of the Australian company. This transaction took place outside the United Republic of Tanzania ("URT") and did not involve a financial asset in the URT. The complainant, Africa Mashariki Gold Mines Ltd (AMGM), (a subsidiary of EAGM) on whom the capital gains liability was imposed was not party to that transaction.

The Tax Revenue Appeals Board (TRAB) was principally required to answer two pertinent questions:

1. Whether Tanzania Revenue Authority had powers to impose capital gains tax on a share sell transaction executed by foreign companies outside the URT; and
2. Whether Africa Mashariki (the applicant), being not a party to the transaction can be legally charged to capital gains in respect of that transaction.

TRA (respondent), alleged that shares held by the Australian company (EAGM), in the Tanzanian company (AMGM) have been disposed off. TRA noted that there has been a transfer of shares between EAGM Ltd (Australian Company) and Placer Dome (Canadian Company).

In their ruling, the Honorable Board ruled that the capital gains tax cannot be charge-

able as the shares sold were those of shareholders held by various shareholders themselves and financial assets held outside Tanzania and both the seller East Africa Gold Mines Limited and buyers Placer Dome Inc. are nonresidents.

The decision of the Court on this case was that, though there was indeed a change in underlying ownership of a subsidiary entity in Tanzania hence realization of the shares, yet the shares were not taxable because the Tanzanian Income Tax Act, did not include shares as taxable under CGT.

Following the judgement, the taxation of indirect disposals became a new focus area of tax policy. In 2012 an amendment to the Income tax Act, 2004, was made to contain provisions which impose capital gains tax on such transactions. The "change in control" provision now enables taxation of indirect disposals where underlying ownership change is overseas.

In July 2012, The Finance Act 2012 amended Section 56 of the Income Tax Act (ITA) 2004, the "change in control" provision, which applies where the ultimate underlying share ownership of a Tanzanian entity changes by more than 50%. Following the 2012 amendment, where there is such a change all the assets and liabilities of the Tanzanian entity are automatically deemed to be realized (and reacquired) at market value and if this results in a gain, then such a gain is subject to capital gains tax.

A number of sections of the Income Tax Act, 2004 as amended, addresses various issues relating to CGT from defining terms like domestic assets and underlying ownership sect 3, to calculation of gain sect 36, cost deduction sect 37, Realization sect 39, change of control sect. 56 etc.

The objective of the amendment was to impose capital gain tax on sale of shares relating to local company by the parent/off-

shore company. The measure was intended to control tax avoidance, which was a positive move to safeguard revenues, however its effect is much wider than originally intended, and consequently has posed investment challenges in the private sector.

An unfavorable impact has been experienced in the exploration for minerals, while the country is focusing on becoming a significant source for the 4th industrial revolution minerals, the time is ripe to stimulate exploration activities and create a vibrant exploration industry in the country that will ultimately give birth to mining companies that will increase productivity and export of these minerals which will stir our economic growth, however, investments in the sector has reduced due to uncertainty.

It's recommended that section 56 of the ITA CAP 332 (change in control legislation) is amended so that the determination of whether a change of control occurs excludes an issue of new shares or a direct disposal of shares in a Tanzanian entity (already subject to tax).

Section 56 should explicitly state, it relates to foreign transactions to avoid entities that are tax resident in Tanzania to suffer double taxation under both section 90 and section 56 of the ITA 2004 (CAP 332).

It should be remembered, without exploration there is no mining, but also for other sectors of the economy, the section has been a deterrent of growth. Adopting the proposed changes will help in reviving all business sectors of the economy in Tanzania but also bring back hopes of reviving the mining industry which at the moment remains to be the highest foreign exchange earner and bring back hopes of having new mines constructed in future.

A blossoming private sector and the construction of new mines will not only earn the country foreign exchange that will strengthen our Shilling and improve the balance of payments but will also create employment and a multiplier effect that will boost our economy generally.



It's recommended that section 56 of the ITA CAP 332 (change in control legislation) is amended so that the determination of whether a change of control occurs excludes an issue of new shares or a direct disposal of shares in a Tanzanian entity (already subject to tax)





Make difference in your profession with TAA - CEO

By Winifrida Ngaraguza (ag. CEO)

“Believe passionately in what you do, and never knowingly compromise your standards and values. Act like a true professional, aiming for true excellence, and the money will follow,” once said a former Harvard Business School professor, American writer and expert on business management practices, David Maister

His school of thought applicable in any business to grow is that professionalism is what is required as a technical competence for a person to be referred as an expert, every firm or organization longs for.

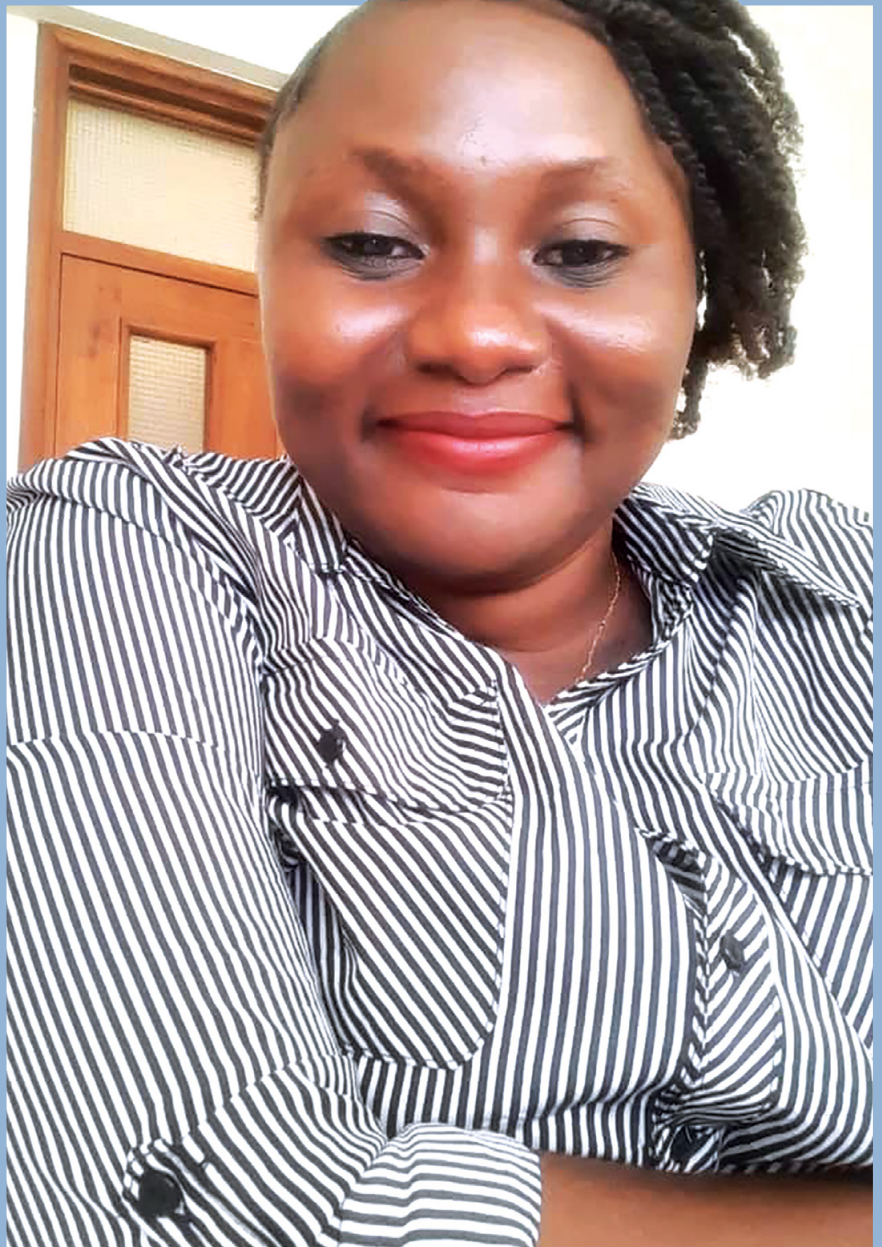
In quick analysis, we already know that in our nation just like in any State in existence, every year there are a lot of graduates leaving different university and colleges and look for employment in comparison to few who opt to be self-employed.

Statics shows that, as of 2021, around 54.8 thousand students graduated from universities in Tanzania. The number increased from 48.6 thousand in the preceding year, interrupting an upward trend observed since 2017. Currently, there are 47 tertiary institutions in Tanzania and over 206 thousand students pursuing higher education courses.

Currently, there is a huge increase number of graduates who are graduating from universities and various professional institutions who are unemployed due to various challenges.

In response, Tanzania Association of Accountants (TAA) has seen this challenge as an opportunity to intervene by helping them, especially by assisting them in different ways such as offering them trainings and mentorship programme. Here, our graduates as students are offered opportunities to gain knowledge and insight from accounting professional.

The association came up with an idea of establishing practical Mentorship Program as special initiative to help graduates especially Graduate Accountants who are not employed with a special training to build their capacity. The main objective here is to promote also



the Accountancy Professional in the country.

Equally, it has a mission to provide services to and on behalf of its members in various sectors aimed at facilitating their professional and social development while promoting public confidence in the services provided.

Research shows that mostly, graduates lack skills in their carrier, hence, make them fail to compete in the labour market. Perhaps in their mindset, they believe that once out of universities and completing theoretical studies they will easily acquire employment, which is not necessarily the case.

I remember one day CPA Victorious Kamuntu told me that "I wish I can change the mindset of this young generation and push them to think out of the box" there are a lot of opportunities out there, but it's unfortunate that they only think of employment not career and service.

He emphasized that they should not only think about employment as key factor to success-there are a lot of opportunities once one engage also in self-employment and offer assistance to businesses in the fields such as tax advice and audit issues.

This is because many employers do not have time to teach graduates rather they rely on finding people who already have experience.

This culture denies them the right to learn and equally push many of them to lack confidence. It is wise therefore, for our institutions and companies in this country to build a good system to help these young people so that they grow up with confidence and compete in the market.

To reinforce this, TAA has been insisting on building also the capacity to its members to the extent that in November, 2022, it started the mentoring program to help graduates develop, learn accounting careers and grow in their networking.

Equally, the association managed to establish this program because the requirement from National Board of Accountants and Auditors (NBAA), e-filing requirements by Tanzania Regulatory Authority (TRA), compliance with various Government institutions such as BRELA, DSE, Capita markets and other investors require that it prepares practical trainees and graduates that support and provide services to the fast growing business environment and other professionals that support informational sector to grow fast in various business opportunities within the country. With the demand of markets that requires practical experts that requires practical that needs to meet the expectation of markets.

The structure is based on the following

factor: Learning how to close books of Accounts from developing source documents (books of Accounts), Trial Balances, Learning practically how to develop business plans development for SMEs and requirements for e-filing, E-VAT returns and all others pertaining to Business Registrations and Licensing Agency (BRELA), Tanzania Revenue Authority (TRA) and other compliance according to the law and finally to learn practical process how to register and submit various tenders in Tanzania National e-Procurement System (TANePS).

The program will have a great contribution in preparation of practical professionals that will be placed to various business owners to support business growth, preparation of pools of professionals that will lead to the team supporting SMEs and advisors business, the participants will be able to learn how proposals are developed from the call of proposals, participants will be able to learn practically how to support business to comply on various regulators such as TRA, BRELA etc, participants will be placed to various companies and linked to business owners to support business and finally to participants will be working as team to support developing business plans for SMEs and business advisors.

TAA management had a plan to put more effort by finding partners who will assist to support this program so that it can accommodate a lot of people. To run this programme needs more facilities and resources so that can be done well. We believe by helping these graduate accountants will lead to



In a nutshell, the Tanzania Association of Accountants (TAA) is a members' representative body of all Accountants, Auditors and aspiring Accountants registered and working in Tanzania.

big impact to the Nation.

In 2024, association is firmly committed to assist these graduate accountants to achieve their goals, we believe it is not an easy task but by collaboration with various stakeholders we can achieve to help them. All graduates from all levels of education from universities and graduate accountants the association calls both to join association because not only they can benefit from mentorship program but also internships and job opportunities available.

In a nutshell, the Tanzania Association of Accountants (TAA) is a members' representative body of all Accountants, Auditors and aspiring Accountants registered and working in Tanzania. It is an Association of Accountants and Auditors who are practicing Accountancy and Audit in Tanzania established in 1983 under the Societies Ordinance of 1954.

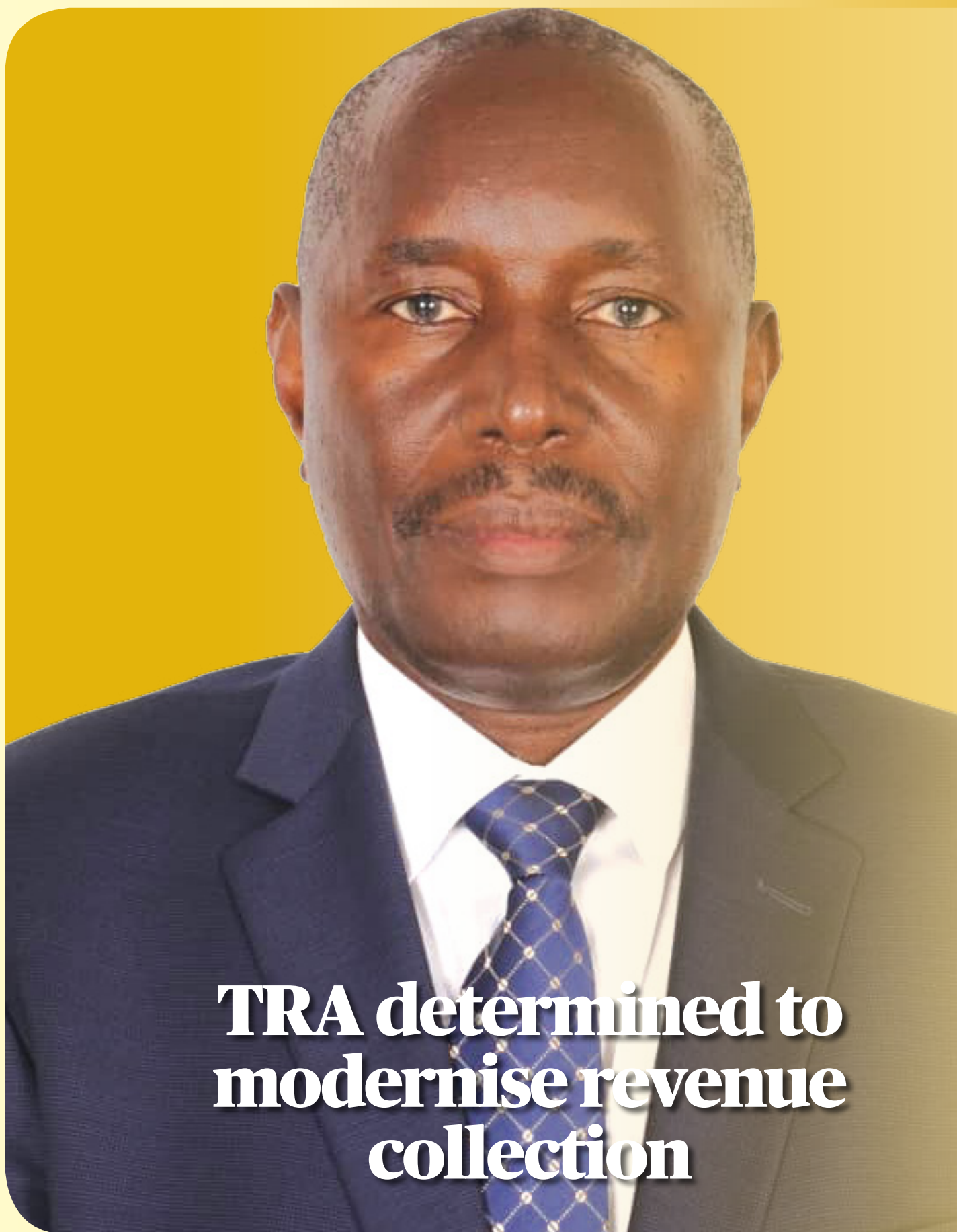
This year TAA the association is celebrating 40 years since it was established. All these years the association has passed through the hands of strong leaders who managed it well in protecting and defending the interest of accountants and auditors in the country.

We will be greedy of favors if we stop recognizing the great leaders who managed this association and brought it to where it is-we recognize their efforts and contributions towards the association.

PAST CHAIRPERSON OF THE ASSOCIATION FROM 1983-TO DATE

1. CPA Hatibu Kihiri Senkoro, C.A (Scot), 1983-1987
2. CPA Ernest Saronga Massawe, FCCA, B.com, 1987-1991
3. CPA Biharialal Keshavji Tanna, (Eng & Sales), 1991-1993
4. CPA Leonard Clement Mususa, FCCA (UK), 1993-1997
5. CPA Cosmas Salia Lamosai, FCCA (UK), 1997-2001
6. CPA Mrs. Mercy E. Sila, MBA, FCPA (T), 2001-2005
7. CPA Nada A. Margwe, FCPA (T), 2005-2009
8. CPA Oswald Martin Urassa, FCPA (T), MBA, 2009-2015
9. CPA Dr. Fred Matola Msemwa, FCPA, Phd, 2015-2019
10. CPA Peter Lucas Mwambuja, MBA, CPA, 2019 -2021
11. CPA Godvictor Ibrahim Lyimo, MBA, CPA PP, 2021 -to date

The writer is Tanzania Association of Accountants (TAA) Acting Chief Executive Officer.



**TRA determined to
modernise revenue
collection**



TRA pledges to continue modernising all areas of its operations to make it easy for taxpayers to pay which improving TRA's efficiency in Revenue collections.

By Alphayo Kidata - TRA Commissioner

Prior to deploying the electronic filing system on returns of income tax, it was only the monthly value-added tax returns were that filed electronically since 2007 as well as withholding tax certificates that were generated electronically.

Before that all tax returns were submitted manually and these caused inconveniences to both the taxpayers as well as the Tanzania Revenue Authority (TRA) on submission of manual tax returns within time, because TRA offices are close at 05:00 pm on weekdays more over on the weekends and public holidays there was no room to file a manual tax returns. These circumstances resulted in unnecessary penalties to the taxpayers and complaints to TRA.

In 2019 TRA introduced the e-filing filing system for all income tax returns including returns of Pay-As-You-Earn (PAYE), Skills Development Levy (SDL), as well as statements of estimates of taxes payable and final returns of income. These were introduced to cover some challenges faced by TRA and other stakeholders by reviewing the existing returns forms to address the gaps in order to develop an electronic filing system to enable tax payers file returns electronically without the need to visit TRA offices and enable also TRA to process and monitor the filed returns electronically.

The e-filing system involves the following functionality process

i) Appoint of declarants

This menu enables the e-filer to appoint a declarant(s) for submission of tax returns on behalf of an entity (this is applicable for entities only); and Audit Firm or individuals for certification of return of income (for all persons except taxpayers under presumptive regime. The audit firm must also be registered with the National Board of Accountants and Auditors (NBAA) of Tanzania in the category of Certified Public Accountants in Public Practices. An appointed audit firm must select an individual auditor who will be responsible to certify the return of income of an en-

tity prior to submission to the TRA. When the auditor completes the certification process, a certified return of income will be sent to the entity for further processing.

ii) Liable Tax Returns.

This menu indicates tax type whose tax returns are to be submitted to TRA through the e-filing system. The menu further enables the e-filer to select, by ticking, the type of return or tax type that are applicable to his business in case one is missing.

iii) Returns

This menu indicates a list of returns already filed and those that have not yet been filed and provide a link for the e-filer to effect filing of returns.

iv) Assessment

This menu provides a list of self-assessments for various filed returns as well as a list of adjusted assessments issued by TRA.

v) Payment Registration

This menu enables taxpayers to select assessments and make payments directly without logging to a separate RGS portal for payment. It also enables a taxpayer view the registered order forms for payments.

vi) Download Forms

This menu enables the e-filer to download various returns forms that are to be submitted electronically which have been designed in excel format. Thus, being excel forms they can be filled and later uploaded into the system during filing process.

vii) Remission

This menu enables the e-filer to submit the application for remission of penalty and/or interest following assessment by the TRA. It also enables e-filer to view applied remissions with respective status as to whether granted by TRA or not.

Important issues to consider

1. For purposes of filing PAYE returns, each employee must have a valid Taxpayer Identification Number (TIN). Employees who do not have a TIN can apply through the TRA website (www.tra.go.tz). The employee must have a National Identification Number (NIN) issued by the National Identification Authority in order to apply for TIN. Employees who do not

have a NIN can obtain a TIN by physically visiting TRA offices for biometric scanning.

2. Apart from returns of income templates to be used for all entities, there are special return of income templates for the insurance, banking, mining, and exploration of gas and petroleum sectors. However, the returns of income for entities conducting mining and exploration of gas and petroleum activities are not yet available in the e-filing system, so entities engaged in these activities will continue to submit returns physically to the TRA until further notice.

3. Where a tax return is not submitted by the due date, two tax assessments will be generated, i.e., one for the tax due and another for the penalty for late filing of the tax return.

4. An application for extension of time to file a tax return can be made in the e-filing system.

5. For purposes of filing the SDL return, all employers must file a return on or before the 7th day of the following month whatever the total number of employee.

From the month of March, 2023, TRA officially launched submission of VAT e-filing systems. The features of the system include:

1. A declarant must fill the TIN of taxpayer, type of returns either normal return or nil return and description of the business.

2. In the first part of form of VAT return a declarant can fill all types of supplies made in that month for example Standard supplies, exempt supplies and zero rated supplies in additional the filer can fill any adjustments that have occurred in the month or previous months.

3. In second part a declarant can fill in all purchases that occurred during the receptive month in that month, however, he or she should fill a verification code on all domestic purchases and fill the Tanzania Single Administrative Document (TANSAD) number for all imported purchases in order to claim input tax from that transaction. In case, any wrong verification codes are filled or the receipts are claimed twice in the VAT returns or verification code have a life time of more than six months, it will be rejected. All the incorrect details submitted in the VAT return will be highlighted in RED so that they have a duty to be modified while filing VAT returns.

The E-filing system enables smooth submission of returns, Processing, Record keeping Availability of filing and payment services - 24 hours, seven days a week which Improve taxpayer's voluntary compliance through enhanced disclosure and accurate declaration and time saving. And TRA wants all accountants and auditors to assist taxpayers to file a correct return on time.

TRA pledges to continue modernising all areas of its operations to make it easy for taxpayers to pay which improving TRA's efficiency in Revenue collections.



Taking a loan is not curse, heed professional advice

By Joseph Tibenda

“I will never take a loan in my lifetime for any business and woe unto those taking any without consulting professionals in finance realm,” was the strong and punching statement, Joseph Tibenda made to fellow youth adopting copy and paste ideas in various economic activities

Tibenda's stance is a typical testimony and horror stories many people in the public tell after rushing to acquire loans from financial institutions without first consulting professionals on what borrowed money entails.

As he illustrates his journey of getting some money (loan) to establish a hardware shop, simply because he admired the business that has no expiry dates for most of its wares like nails, he knew it was time for minting money and paying back fast enough.

In his own account, he never spared time for first making a market survey and drafting a business plan with inputs of a person like an accountant, who studied money matters, simply because he admired the business.

Solely depending on the business as his only source of income to cater for family food, house rent, transport, TRA tax, fees and dependents in the sixth month, he started foundering and found himself running for another loan dubbed 'top-up'.

The second loan was taken to service the first one and make ends meet. But, still not being able to be steady, he sold his only car so as to get another capital to sustain in business.

This time he said: “It can be tempting to take out a loan to have extra funds on hand. But if you don't have a plan for how the funds will be used, you risk spending money on and paying unnecessary interest on items that are not essential.”

In an ideal world, everybody would have enough money for all his needs. In reality, many of us have little option but to borrow to meet our goals, both real and imagined. For banks the yawning gap between reality and aspirations is a tremendous opportunity. They are carpet bombing potential customers with loan offers through emails, SMSs and phone calls. Some promise low rates, others offer quick disbursements and easy processes.

However, before taking a loan for any business, every trader should look for pieces of advice from accountants, auditors who are educated in money matters and readily available at the Tanzania Association of Accountants.

Here, the public will be educated on the 50/30/20 simple and classic budgeting rule that dictates how you should spend your income: 50% of your income should go toward “needs”; 30% of your income should go toward “wants” and 20% of your income should go toward savings and debt repayment.

On this scenario, banks should invest a lot

on educating the public (customers) on what a loan is, advantages and disadvantages instead of enticing them to rush for loans with low rates slogan.

With inputs of TAA, the public will be enlightened not to borrow any amount of money than one cap repay. Here, the first rule of smart borrowing is what the older generation has been telling us all the time: don't live beyond your means. Take a loan that you can easily repay.

Again, with banks falling over each other to attract business, taking a loan appears as easy as ABC. But don't take a loan just because it is available. Make sure that your loan-to-income ratio is within acceptable limits

Equally with TAA insights, the public will be notified to ensure timely and regular repayment of loans in business, because with their skills it will dawn to traders that it pays to be disciplined, especially when it comes to repayment of dues. Whether it is a short-term debt like a credit card bill or a long-term loan for your house, make sure you don't miss the payment.

This is also in line with the school of thought of never borrow to splurge or invest. This is also one of the basic rules of investing. Never use borrowed money to invest. Ultra-safe investments like fixed deposits and bonds won't be able to match the rate of interest you pay on the loan. And investments that offer higher returns, such as equities, are too volatile. If the markets decline, you will not only suffer losses but will be strapped with an equated monthly installment (EMI) as well.

In the finance world, EMI stands for equated monthly installment. It refers to periodic payments made to settle an outstanding loan within a stipulated time frame. As the name suggests, these payments are the same amount each time.



It can be tempting to take out a loan to have extra funds on hand. But if you don't have a plan for how the funds will be used, you risk spending money on and paying unnecessary interest on items that are not essential.

TAA runs Accountants Week in Dar es Salaam

By **DAILY NEWS** Reporter

Tanzania Association of Accountants (TAA) in community plough back met various traders in Dar es Salaam and offered to them free accounting/auditing skills with the aim of mobilizing them to professionally run their businesses and pay tax to the government.

Terming the exercise, as giving back to the community in kind, TAA President Godvictor Lyimo said the free service to the traders in different parts of the city in March, 2023 would enlighten them on the importance of keeping records so that they can track whether they are making profits or losses, and then know where to address.

He further said: Keeping accurate records is essential to the success of any business. This practice can make it easier to keep track of customers and suppliers, plan for tax payments and maximize tax deductions. In a nutshell, it's also a good way to monitor the progress of your business and know where your income is coming from."

CPA Lyimo said the exercise that runs for a week, hence Accountants Week, is another way of the association showing the public (read business community) the importance of working/hiring Accountants/Auditors in their business activities to grow professionally.

He added: "In this Accountants Week in Tanzania, every trader should know that even the multi-millionaire entrepreneurs started down in the hierarchy but managed to climb the ranks, because professionally they were monitoring their activities. In the same way whether one is a small scale or medium entrepreneur, it is wise to hire an accountant/auditor for pieces of advice.

"This is another opportunity for the traders to know the importance of paying taxes, because the government needs the taxes to fund our roads' constructions, fund our national defense, support our medical care and education system and provide other many social services."

In his address at the Kariakoo Market to the traders, CPA Lyimo said the free service to the business community also covered other market places, citing Kisutu, noting that without enlightening them also on the importance of voluntary paying taxes, they would mistake it as not their responsibility.

Equally, he said visiting the market places would go along with the team visiting also Orphanage Centres, citing one in Sinza to donate whatever they have to children with mental disorders.

One of the TAA members, CPA Johnstone Nyange facilitating the occasion narrated how Accountants play an important role

in supporting businesses, and handling all financial matters from tax to payroll to sustain a growing business.

He added: "Before we dive into the benefits you can gain from hiring an accountant, we need first to understand what an accountant is and what role they place in a growing business.

"An accountant has expertise in financial matters, trained and qualified to carry out financial analyses and maintain a company's finances.

Many accountants provide specialized services, including public accountants, forensic accountants, and investment accountants."

One of the traders who turned up for the exercise, Aika Mohamed narrated how listening to the pool of Accountants and Auditors drawn by TAA made her realize that hiring an accountant would offer a trader a wide range of value-added services to assist in staying on top of current tax requirements and compliance, saving money, reducing risk, managing growth, and planning.

TAA's mission is to provide services to and on behalf of its members in public accounting; industry, education and government aimed at facilitating their professional and social development and promote public confidence in their services.

Membership of the Association is open to professionally qualified accountants, accounting firms, accountancy training institutions and students' associations who are registered with National Board of Accountants and Auditors (NBAA).



Graduate Trainee Programme ongoing during Accountancy week at Mhasibu House in March 2023. Here, some Tanzania Association of Accountants (TAA) staff with (from left in the first row) NBAA Chief Executive Officer, CPA Pius Maneno, Member of Parliament CPA Japhet Hasunga, TAA Godvictor Lyimo, ceo of Watumishi Housing Investment Chief Executive Officer, Fred Msemwa. Second row (standing-second left) TAA Acting CEO Winifrida Ngaraguza and some graduate trainees in Dar es Salaam.

Plea bargaining as a contemporary issue in TZ criminal justice system

By George M. Seni

This scholarly article aims at providing an awareness to the general public, specifically to Accountancy professionals (Accountants and Auditors) on the fundamentals of plea bargaining as the new method adopted and embedded in our criminal justices system. (whether the introduction of plea bargaining is justice enhancing or not will be discussed on the series of other articles in future) and to encourage accountancy professionals to be enthusiastic to learn more and more on basics of other professions especially those which follows under socio-economic sciences and soft skills that will assist them in executing their duties in conformity to the 3Es doctrine. Thus, Efficiency, Effectiveness and Economy.

Some of the courses would like to recommend to accountancy professionals includes but not exhaustive; procurements and logistics, tax laws; general laws, risk management, presentation skills, effective business communication skills, business and contract negotiation techniques.

Accountancy profession

Accountancy as defined under the Accountants and Auditors (Registration) (Amendments) Act No.7 of 2021 (hereafter to be referred as the Act) section 3, means a practice in which a professional accountant provides the measurement, recognition, preparation, analysis or disclosure of financial and relevant non-financial information or auditing of or provision of assurance and advisory services on financial information and where applicable, non-financial information and preparing and analyzing tax information.

Accountancy profession consists of two categories of related members namely Accountants and Auditors; The Act under section 3 provides the Accountant to mean a person registered with the Board as a Certified Public Accountant to perform accountancy functions. Whereas, An Auditor means a person registered as a certified public accountant in Public Practice, holding a valid practicing certificate issued under this Act to perform auditing function.

The Board means the National Board of Accountants and Auditors established under section 3 of the Act

Both accountants and auditors have to be aware and strives to be conversant with all contemporary issues on which finance is involved in order to make sure that are properly managed and accounted.

The world economy (wealth) will only flourish if the resources involved are well captured and accounted for. And this is purely the task of Accountancy Professionals.

Plea bargaining in criminal justice system

Before we look at the relationships of accountancy profession and plea bargain in the light of criminal justices dispensation in Tanzania, let us first try to understand a bit on plea bargaining technique as a method of dealing with some criminal offences which the law do not forbid them to be dealt through plea bargaining.

The contemporary plea bargaining procedure in criminal justice delivery has its origins in common law criminal justice. It emerged as an inevitable procedure given the cumbersome legal technicalities in the adversarial system of jurisprudence. The system had difficult tests for the prosecution to secure conviction resulting into delays in disposal of cases, while the accused person continued to languish in custodial detention.

Black's Law Dictionary defines "Plea Bargain", as a negotiated agreement between prosecutor and a criminal defendant whereby the defendant pleads guilty to a lesser offence or to one of multiple charges in exchange for some concession by the prosecutor, usually a more lenient sentence or a dismissal of the charges.

In Tanzania the plea bargaining procedure in criminal cases in court does not have a checkered history. It was introduced in the year 2019 following massive arrests and detention of persons accused of economic and organized crimes offences and money laundering. The prosecution experienced enormous difficulties in proving their cases to the required standards and investigators could not accomplish investigations within reasonable time resulting into severe backlogs and overcrowding in remand prisons.

The situation was aggravated by the fact that most of such offences are not bail able in Tanzania as per section 148(5) of the Criminal Procedure Act, and section 36(2) of the Economic and Organised Crime Control Act, .

Thus the Criminal Procedure Act, had to be amended in 2019 to accommodate plea bargaining practices in our criminal legal system to try to mitigate the technicalities inherent in the adversarial system. The Written Laws (Miscellaneous Amendment) Act No. 4 of 2019 amends Section 2 of Criminal Procedure Act by adding the meaning of Plea Agreement and Plea Bargaining.

Plea agreement means an agreement entered into between the prosecutor and the accused in a criminal trial in accordance with sections 194A, 194B and 194C whereas the plea bargaining means a negotiation in criminal case between prosecutor and the accused whereby the accused agrees to-

(a) plead guilty to a particular offence or a lesser offence or to a particular count or counts in a charge with multiple counts; or

Cooperate with the prosecutor in provisions of information that may lead to discovery of other information relating to the offence or count charged, in return for concession;

covery of other information relating to the offence or count charged, in return for concession;

(a) from the prosecutor which may lead to a lenient sentence or withdrawal of other counts.

Section 194F of the CPA . Provides offences which plea state shall not apply and that plea agreements shall not be entered into in any of the following offences:-

(a) sexual offences whose punishment exceeds five years or involving victims under eighteen years;

(b) treason and treasonable offences;

(c) possession or trafficking in narcotic drugs whose market value is above twenty millions shillings;

(d) terrorism;

(e) possession of government trophy whose value is above twenty million shillings without the consent in writing of the Director of Public Prosecutions; and

(f) any other offences as the Minister may, upon consultation with relevant authority and by order published in the Gazette, Prescribed.

As accountancy professionals are prone to some offences like money laundering which plea state applies, it is paramount to understand how plea bargaining works in Tanzania legal criminal system. One amongst the accomplices of money laundering offence is accountancy professionals.

The procedures to be followed to reach into plea agreement are well provided under section 194A, 194B and 194C of the CPA which attracts six stages:-consultation, plea bargaining arrangement, notice to the court, consent from the Director of Public Prosecution, plea Agreement – Here is the stage where the actual process of bargaining and negotiating taking place; and registration of the Plea Bargaining- The last and final where agreed terms during plea negotiation are registered to gain a status of the formal court judgment.

For the Accountancy professionals to remain relevant and agility, studies basics of other professions backed with continuous profession development (CPD) is very critical especially on how to deal with contemporary issues which in one way or another affects accountancy profession.

Recommendations

Accountancy professionals have to deliberately engage themselves on other professions at least to have basics from those professions as aforementioned. This will give them confidences and wider knowledges to make them fit to be resourceful in the organization and to make use of them especially plea bargaining where and when required as this article entails.

Moreover, the accountancy professionals have to engage themselves apart from other professions, in soft skills trainings to boost their working efficiency, effectiveness and economy (3Es).

• The writer, (LLB., MBA, MA.RLA, CPA(T)) is Director of Corporate Services- Tanzania Sisal Board.

VICOBA is catalyst in poverty fight

By CPA Amina Ramadhani Haighai,
CEO - Achieve Finance

Village Community Bank commonly known as VICOBA to many Tanzanians is a household name and a tool used in fighting poverty while enhancing economic empowerment of the poor communities exactly as it was intended by its founders.

VICOBA, purely was a grassroots-based lending scheme from which members voluntarily contribute their monetary resources and then turned to loans, which are internally thereafter, issued based on the contributions of the members. For further clarification and according to Melinda Franco Muganda (2016) VICOBA is a saving and credit programme that provides basic microfinance management and enterprise development skills to poor rural communities. Contrary to what many assume; VICOBA's function is not only lending (credit services) but empowerment of its members through training on entrepreneurship and business management skills, financial skills, marketing, value addition, resource identification and utilization, community ownership of projects and joint management and not forgetting promotion of a saving culture which is a big challenge among many Tanzanians. The program brings together 25 to 50 people mostly women and those left out by the modern financial institutions, and allows them to combine their savings to create a community-based bank.

According to Kihongo (2005), VICOBA were pioneered in the 2000s in Zanzibar by CARE International Tanzania but later spread to different areas of the Tanzania mainland. In Africa, VICOBA were established for the first time in Niger in 1991 and they were known as Mata Masu Dubara, meaning "women in the move" (Kitomari & Abwe 2016). VICOBA as a financial system is presently used across many African nations under respective local names like Jenga (Uganda), Ophivella (Mozambique), table banking (Kenya) and Josaca/kikundi (Zanzibar).

The VICOBA programs are established and organized to operate by using by-laws formed and agreed on by all members. These by-laws stipulate the members objectives of coming together, their vision and mission, how the daily affairs will be operated, how the finances will be managed, the leaders as well as the members responsibilities, the dos and don'ts and circumstances under which members can be expelled from the program. The details of the by-laws depend on each VICOBA's need. But as a nation VICOBA falls under the Microfinance act of 2019 which governs all the microfinance activities in the Country.

Many lives in Tanzania have been impacted positively by the VICOBA programs in most regions of the nation where members enjoy the following:

1. Access to credit facilities for entrepreneurship activities.
2. Affordable interest rates charged on loan. This has reduced the financial burden of

paying higher interest rates.

3. Training opportunity. VICOBA members enjoy training on personal and business branding, financial management, marketing and many more as this is one of the core functions of the program model of operation.

4. Helping members to achieve their economic objectives.

5. Brings about togetherness and promotes a sense of belongingness among the members. Very strong bonds are formed in this program and people help each other in other social events.

6. To outsource other services at cheaper rates as a group like medical insurance and legal services.

On the other side of things, VICOBA faces some challenges and if solved, then it remains a strong microfinance facility for many Tanzanians. These includes:

1. Low income of its members. This affects their savings which in turn affects the amount of credit to be secured (members borrow from what they have saved).

2. Leadership challenges. VICOBA's success by a bigger percent depends on the leaders and their leadership. Many VICOBA's challenges stem from poor leadership in management of people, resources and sticking to the by-laws formed and agreed on by all the members.

3. Transparency in the use of VICOBA's funds. In many cases, VICOBA's money (members' savings) have been misused or misappropriated or got lost at the hands of those entrusted with the responsibility of managing the funds.

4. Waste of time in frequent meetings, which take longer time to finish.

5. Members utilizing loans for other reasons and not for what they had secured the loans for. Mismatch between the reason for loans and the actual utilization of the loans.

Modern Day VICOBA

Since the inception of VICOBA concept in early 2000, its operation model has evolved to what I call the Modern Day VICOBA. This mod-



Growth in technology has seen VICOBA adopting new systems of cash management and operations. Many banks have come up with accounts and financial services dedicated for VICOBA promotion.

ern day VICOBA operational model is gender inclusive, for both urban and rural dwellers and doesn't include frequent meetings that are seen as a waste of time. Thanks to growth in technology, some VICOBA members hold their meetings in WhatsApp groups, on zoom and only meet once per year. This "once per year meetings" are sometimes changed into fun activity where members travel to Zanzibar for example, where they have fun and do their annual meeting every December. I love this transition: into the modern day VICOBA because I am a modern-day woman!

Growth in FinTech

Modern day VICOBA eliminates the use of money boxes that for the past years has seen lots of money in members' savings getting lost, misused or embezzled. Growth in technology has seen VICOBA adopting new systems of cash management and operations. Many banks have come up with accounts and financial services dedicated for VICOBA promotion. This is also the case with mobile money services where Telecommunication companies have come up with financial services for VICOBA business model, where members register themselves, save money and request loans which are approved and funds disbursed online via the system. Mobile APPs for VICOBA groups have also been developed to ease their operations.

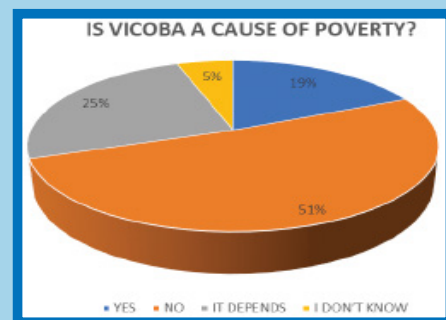
My research

I conducted a research through online polls where 75 adult Tanzanians responded to my question which asked "is VICOBA a cause of Poverty?"

They responded as below:

S/N	Answer	No. of Responses
1	Yes	14
2	No	39
3	It depends	19
4	I don't know	4
	Total	75

A PIE CHART PRESENTATION OF THE RESEARCH RESULTS



Conclusion

VICOBA if operated within principles of good governance and strictly follow by-laws designed by its members, then it is a strong tool for fighting poverty. I urge the members to always appoint capable leaders to lead their VICOBA schemes as the success or failure of their groups depends on leadership. If all these and other challenges like members not having a saving culture, loans being used for un-intended reasons are solved, VICOBA is a good strategy for economic empowerment of many in Tanzania and Africa.

CPA Method Kashonda on why TAA registration for Accountants

Tanzania Association of Accountants (TAA) membership provides relevant and regular networking and resource access opportunities to its members for their professional development and strategic positioning in the governance of the institutions they



serve.

In this case, TAA is constantly on the look-out for developments in the accountancy profession, including new accounting and auditing standards as well as their preceding exposure drafts.

TAA also keeps abreast with emerging environmental, social and governance issues, and leads in conducting seminars on such issues, and seeks to influence positions on the same. Members benefit from participating in these conversations and learning at concessional fees.

On prospects for the future, he says it should plan and conduct Continued Professional Development programs for its members, which are aimed at ensuring the creation of future-fit accounting and finance professionals.

Why finance was key agenda in AGRF 2023 Summit

By **CPA Victorious Kamuntu**
– TAA Vice President

On 5th-8th September, Tanzania hosted the continental Africa Green Revolution Forum (AGRF) 2023 Summit with the theme Recover, Regenerate, Act: Africa's Solutions to Food Systems Transformation anchored around building back better food systems with youth and women at the center.

The Summit public and private sector attendees (policymakers, financial institutions, scientists, heads of governments and private institutions, farmers, and the youth in the agriculture and food systems landscape) were actively engaged in dialogues and re-energized commitment in the food systems conversation with a focus on regeneration as a means of wealth creation for the continent.

As the discussions deepened, every speaker realized that the whole value chain was centered on finance—an engine, kingpin that could not be avoided. The voices raised a concern that the sound food systems in the continent will be a reality once financial institutions are fully brought onboard, and once one talk of finance, one automatically finds oneself in the domain of professionals (Accountants/Auditors) in the field.

Shedding light on the discussion, CPA Victorious Kamuntu said that involving Accountants is necessary from the word go, because they have financial insights on how to support farmers obtain loans they are entitled to from financial institutions, offer pieces of advice to organizations (read farmers in groups) on how to reduce cost, pay taxes and boost profit among others.

He added: "Everybody learns to manage



money but not everybody manages it well. Some live hand to mouth focused only on making ends meet on a day-to-day basis. Others look ahead trying to prepare for unforeseen events or irregular demands such as school fees by setting some income aside as savings, and it is in this last group is where Accountants' skills are important to be tapped."

Elaborating, he noted that no simple farmer or in groups will enhance agricultural production without involving the use of money, saying: "Finance is the vehicle from acquiring land, clearing, planting, weeding, harvesting to transportation of the produce to market.

Having a little deed as a mortgage is not a guarantee to get loans, there is a synergy of value chain complete, you need market, compliant of some issues and experiences and the whole picture is professionally handled by an accountant.

CPA Kamuntu said as farmers mobilize inputs to fully engage in agriculture and more so food production, it is important that they are assisted by accounts, who fully understand where and amount of money to be invested in every stage.

On climate change, the professional also talked of finance taking the center stage as stakeholders are trying to get solutions.

He said that as the agricultural sector feels the impacts of climate change acutely through increased drought and extreme weather events, fighting requires also financing, especially on acquiring fertilizers to boost soil fertility, practicing drip irrigation and planting cover crops among others.

Fertilizers practices

Since the middle of the twentieth century, the industrialization of agriculture has led to widespread dependence on petroleum-based pesticides, herbicides, and fertilizers in conventional farming and these to be financed means a smallholder farmer parting with money, whose management requires the skills of an Accountant.

Keeping agriculture green

Land management practices such as re-foresting rangelands, restoring riparian zones, and planting hedgerows and other perennial plants serve many benefits, such as providing shelter for wildlife, beautifying farms, and attracting beneficial insects for pollination and natural pest control. On the climate front, trees, shrubs, and other woody vegetation also store carbon in their biomass, protect the soil from erosion, and conserve water and all these require money to be implemented.

Supporting farmers markets and local food Did you know that food from the farmers at the remote farms must travel a great distance to get to your plate in towns? All this shipping requires money and generates greenhouse gases (also known as GHGs) emissions. When farmers sell directly at the farmers market or through other local distribution channels, food is transported shorter distances, but long distances require extra costs and at the same time the local farmers must stay on their land and care for the earth.

By CPA Lupiana **Michael Lupiana**

Overview

After each of the audit assignments, an auditor is expected to report findings on the design and effectiveness of the internal control system. This is a very important thing, as it has been giving great benefits to both management and the oversight function charged with governance. Audit findings are an outcome of the evaluation of the collected audit evidence against what it should be. It may involve areas in financial reporting, the risk associated with a policy violation, inadequate performance, and/or the design or effectiveness of internal controls. Any material weakness audit finding warrants the attention of both management and the governance oversight function (e.g., the board of directors and stakeholders). As a result, clear and actionable audit findings are critical in communicating issues discovered during the audit engagement.

The quality of an audit finding

The quality of an audit finding is absolutely essential to making it acceptable and useful to management in improving their internal control system. Let's start with the main ingredient of a good audit finding, which is simply its perfect clarity. This quality, which appears to be attainable if the finding is carefully written, is not common, even among carefully written audit reports. Describing clarity and simplicity for a human with many different points of view is more difficult than it seems. Even if auditors discovered some excellent and convincing evidence, report clarity is not guaranteed. An auditor must be able to connect with the auditee and establish a relationship with ease. This can be attained by having a great listening ability and a high degree of honesty and objectivity.

While the components required for audit findings depend on the audit's goal, a well-developed audit finding typically has five characteristics:

1. Criteria – What should be
2. Conditions – what is
3. Cause – why the condition happened
4. Effect – the difference and significance between what is and what should be
5. Recommendations – actions needed to correct the cause

Criteria

This is the requirement used by the audit team to evaluate the auditee's performance or activity. This includes policy, procedures, regulations, state plans, clauses in contracts, program standards, and best practices. To further comprehend the problems, additional data can be added to the criterion, such as previous occurrences and historical customs.

Condition

This is a description of the internal control weakness that needs improvement or res-



The 5 attributes of clear auditing findings

olution. It is a factual declaration outlining the audit's findings. The condition details how the auditee performed or is performing in relation to the benchmark set forth by the criteria. This includes information regarding the auditee's systems and processes as well as procedures.

Cause

This is the root cause that resulted in the reported condition above. Making meaningful advice requires understanding the cause or mechanism of a problem. While creating suggestions that would solve the issue and be approved by management, the audit team needs to have a clear understanding of the reason. Each disease may have more than one underlying cause, which affects management options. Hence, management's established policies, methods, and practices should be targeted as the underlying or root cause of the issue. The reason should be established

to the point where it is obvious that treating the issue would resolve it or stop it from happening again. The cause should be discussed in detail.

- Specific actions or inactions by officials.
- Functional level where no action was taken or inappropriate action was taken.
- the absence of or a deficiency in internal controls

It's also important to comprehend the causes of inappropriate behavior because doing so will help guide your recommendations in the right path.

Effect

This is the "so what" that is frequently expressed in monetary terms. The audit team must ascertain the effect of this disparity on the program, activity, or function being audited after identifying the difference between what is (conditions) and what should be (criteria) and how it will affect the program, activity, or function that is the subject of the audit. Discussion of the impact should contain;

- The quantitative significance of this difference,
- The methodology used to estimate the quantitative impact, and
- If relevant, the programmatic consequences of any unfavorable circumstances, including,
- Whether they have an ongoing or one-time effect on the program or function.

These factors will help the reader of the audit report comprehend the significance of the improper acts and comprehend the necessity of putting the suggestions into practice.

Recommendations

This is the suggested advice for restoring the "condition" to the "criteria" more closely. This suggests how the condition might be addressed so that performance improves and more closely matches the criteria. It is a clear statement of the action that must be taken to correct the problem identified by the audit. Recommendations should address the underlying or root cause and be specific, feasible, and cost-effective.

Understanding audit findings and their relative attributes can reduce unnecessary conflicts with management and ultimately assist management in creating a path to corrective action and resolution. Therefore, both the auditor and the auditee need to work together to get clear audit findings and complete the audit process. An auditor must be skeptical and operate professionally based on evidence, while the auditee should maintain evidence to prove compliance at the point decisions are made. Audit findings are not enjoyable for auditors either because they have a lot of rules and expectations. Audit findings are only for improvements and not judgement; hence, management should respond in a brief way showing ownership and responsibility for getting the internal controls and compliance right.

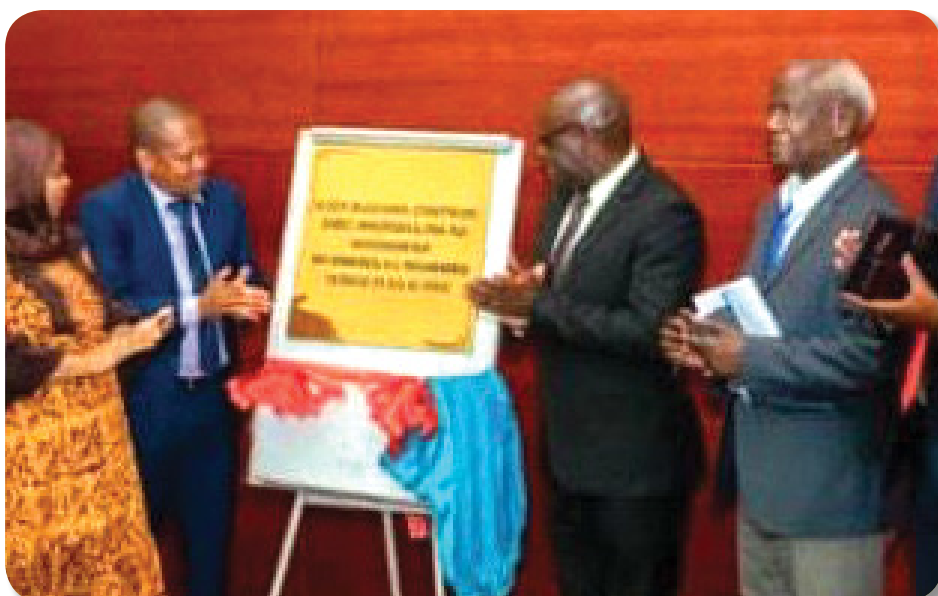
Tanzania Association of Accountants (TAA) President Godvictor Lyimo delivers opening remarks to the press during the Accountancy Week on March 2023. at Kariakoo market in Dar es Salaam.



Some members of Tanzania Association of Accountants (TAA) in a panel discuss on the Local Government Authority (LGA) seminar at St. Peter Swaswa Dodoma in November, 2022.



Tanzania Association of Accountants launch Kuza Biashara campaign during the Annual General Meeting 21/07/2022 in Dar es Salaam. Gracing the occasion is the Deputy Minister for Investments, Trade and Industry, Exaud Kigahe (third right), CPA Method Kashonda (second left).



Some Tanzania Association of Accountants (TAA) mentors discuss Controller and Auditor General (CAG) report in April, 2023 in Da es Salaam. Left is CPA Ally Bukuku and CPA Lupiana (right).



Accountancy Week held in March 2023 in Dar es Salaam, where the staff visited a charity event at Sinza Maalum Primary School with some foodstuffs as a plough back to the community.



The Tanzania Association of Accountants (TAA) on the LOCAL GOVERNMENT AUTHORITY (LGA) seminar held at St. Peter's Swaswa, Dodoma, Tanzania on November 2022. Some of the leaders from the TAA focusing on the training.





Join TAA family for mentorship, Accountants urged

By **CPA Laurencia S Marwa**

Growing up as a young girl and moving from Mwanza to Moshi town in Kili-manjaro region for her Secondary and A-Level studies, little did CPA Laurencia Marwa know that she would finally end up at Strathmore University in Nairobi, Kenya for her degree, and later her Master degree in Mzumbe University (DCC) and Certified Public Accountant courses.

In her academic life, CPA Laurencia praises the reputable Strathmore University that was started in 1961 before most African countries gained independence, as the first multi-racial and multi-religious advanced-level sixth form college formed by a group of professionals that the Tanzania Association of Accountants

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It should be known to the public that Accountants/Auditors are professional people in the realm of financial matters-since all sectors in life rotate around money, it is advisable to engage them, because they will advise and give professional direction to any business set up in the public

tants (TAA) should borrow a leaf from and also initiate such a college in Tanzania.

She said as a girl-child, one might feel that the academic life is very challenging given most of the family setups, where many found themselves in, but the reality is that education pursuit requires personal sacrifice for one to succeed.

CPA Laurencia further pointed out that it is high time the Tanzania Association of Accountants spread its wings and visited schools and colleges to raise awareness to students on the importance of studying business subjects, for the knowledge obtained is vital in their careers as Accountants and Auditors.

She added: “Many students, especially the girl-child, require motivation and career guidance to erase misplaced ideas that mathematics and related subjects, which lead to one being an Accountant or an Auditor are difficult and hence, the preserves of men.

“If they are visited and mentored professionally, their talents would be triggered and mobilized towards developing and promoting the Accountancy profession as well as the maintenance of high ethical standards as they grow up.

“As human beings we are social and require company to network and socialize, hence, the best place for one to feel at home is to flock where one belongs...what I mean is that as Accountants/Auditors, we must flock where our brothers/sisters who studied Accounts/Auditing are and that is the Tanzania Association of Accountants.

“It should be known to the public that Accountants/Auditors are professional people in the realm of financial matters-since all sectors in life rotate around money, it is advisable to engage them, because they will advise and give professional direction to any business set up in the public.

“May I appeal to proprietors of businesses in the public to see the essence of engaging Accountants and along the same line advice, any Accountant/ Auditor who has not registered with TAA to think twice and join, because it is the best forum to use and give the society something as a plough back.”

The mission of the Association is to mobilize skills and talents of members towards developing, promoting, and protecting the accountancy profession as well as the maintenance of high ethical standards among our members.

Meet Best Awarded Students in CPA Course

In any sphere of life, awards and accolades vastly influence students even after their school life. Apart from being just mementos and symbols of their achievements and appreciations, they also contribute to their career. They stand as proof of how dedicated and sincere students they were in the task assigned to them and for that matter, the cream and best students in the Certified Public Accountant courses require recognition. In this particular article, the below mentioned personalities following deserve praise.

Spiritual commitment humbled my journey excel in studies

By CPA Baraka Mndeme

Born in the slopes of Mount Kilimanjaro in 1993, Baraka Julius Mndeme is a man who believes that from the word go- it is sheer that God has been on his academic life and done wonders to humble him, when others (his classmates) did not see the essence of that.

Mndeme narrates a case study in his A-Level studies at Nsumba Secondary School in Mwanza region, where as students, they had sacrifice and study on their own without waiting for teachers, who were in short short-age to come to their rescue.

He said: "It was by the grace of God that I became humble and stopped lamenting that there were no teachers. I told my classmates to be obedient, courageous and put a lot of efforts in living our dreams, because in particular I had a strong passion of becoming an Accountant in the near future.

"It was not easy to excel in this field from the grassroots, because we also needed guidance and at the same time to perform other activities. There were times when we became tired, but the grace of God, few of us man-



aged the rough journey.

"Joining the Saint Augustine University of Tanzania (Mwanza) for my Bachelor of Business Administration (Accounting) degree, I knew I was in the right institution given the

full support I was now getting from my family, study group members and fellow colleagues.

"Of all the people who motivated me, my model and became my mentor, CPA Shwaibu Sella, Coordinator of Accounting Go Centre, becomes high in the hierarchy. The list also includes senior motivators like Mr. Phinias Ntabanyula and CPA Telesphory Masalu, because the good thing, they also tipped me about joining the Tanzania Association of Accountants (TAA), once I graduated from the field."

In his narration, he adds that in joining TAA, he will get the benefits ranging from practical participation of developing his career by meeting his peers, especially through the association's Continuing Professional Education Programmes at lower participation fees.

Adding: "Second-I will continuously be made aware of local and international developments in technical matters through TAA's Professional Accountant Journal and dissemination of the international literature.

"Third-As a member of TAA, I will increase my professional recognition by the use of designator letters such as A.T.A.A. for Associates and F.T.A.A. in the case of Fellows.

"Fourth-By being represented by TAA nominees at NBAA Board, I will have the opportunity to influence NBAA's decision making process to ensure that NBAA serves to the interest of the members of the accountancy profession and the public at large.

"Sixth-With the above advantages as a member of Tanzania Association of Accountants I would advise my fellow accountants to join the association as it shapes us to be up to date accountants through seminars, workshops which will help us to be aware of various changes in standards and ways we should adapt in our career requiring preparations and presentations of financial statements."

Business passion irritated my dad, made me excel in ATE II

By Nadaa Ally

A yet to be a Certified Public Accountant, Nadaa Ally, is a lady whose shrill voice first radiates happiness and obedience in the world of learning to acquire success.

Narrating her Primary School life in Tabora region before going to Mwanza for Secondary education, her dream was in the near future to sell spices and mostly curry powder that was a booming business during her upbringing.

"Every day I could see women and children trooping to shops and our market in search of spices, and for sure it attracted the attention of many women so that they prepare pilau for their families," she said while avoiding eye contact.

On shifting to Mwanza her father wanted her daughter one time to become a Scientist and routinely encouraged her to study Science subjects, but her plan thereafter was to study Business subjects. "I clandestinely

enrolled for business subjects and never informed any family member, because I feared reproach from my dad."

"Hatching the plan to my mother who later informed my dad, it was another hell on earth when he reacted, browbeating that he could not keep on paying school fees to someone, who would end up in business-something that any woman in the village was doing and eking out a living."

She further says in reaction, she swore to convince her dad that business of selling and buying of goods and services, as it was traditionally known could be handled professionally and that made her think of accounting as a career.

Nadaa added: "Going to Form Five with Economics, Commerce and Accountant (ECA) combination study at....., I was determined to show my dad one time that my career choice of being an accountant was not wrong.

At the University of Nairobi, I worked hard

in the Faculty of Commerce and graduated with flying colours knowing very well that sky would be my limit. Thereafter, I enrolled for Accounting Technician Certificate (ATEC)

Accounting Training for Employment (ATE) II and in 2019 and became the best student in the overall performance."

Nadaa in a nutshell, appeals to parents to give their children guidance in education, but become flexible and leave the choice of deciding careers to them.

On the next move of joining Tanzania Association of Accountants (TAA), she says every Accountant and Auditor in the country should see the importance of registering with it, because it gives them leverage to speak as a community with one voice.

She adds that by joining TAA, definitely they will have a forum to mobilize skills and talents of members towards developing, promoting, and protecting the accountancy profession as well as the maintenance of high ethical standard among our members



Government borrowing

1.0 INTRODUCTION

All governments the world over, require revenue for the financing of public expenditure, both recurrent and development. Normally, there are two primary sources of revenue available to the government—one being the domestic revenue which includes taxes and non-tax revenues, and the other refers to external assistance, which comprises grants Loans from bilateral and multilateral organisations, including other nations and financial institutions.

1.1 TAX REVENUES:

Tax revenues are the total of taxes levied on citizens and non-citizens' taxable income. Taxes are distinguished from other types of government revenues by the absence of equivalent direct compensation services and the lack of an individual account on how such taxes are utilized—usually referred to as the absence of "quid pro quo". Taxes are of different types such as individual income tax, property tax; corporate tax; payroll tax; value added tax; excise duty; customs import duty; stamp duty etc. Taxes can further be classified into direct and indirect taxes; thus:

(a) Direct Tax is that which is paid directly by an individual or organization to the entity that imposes it, such as Income Tax, Property Tax etc. It is levied on income and activities conducted; and

(b) Indirect Tax is that whose liability to pay can be shifted to others, such as Value Added Tax (VAT). It is levied on product or service.

1.2 NON-TAX REVENUES

There are several ways in which the government can get revenue, other than from taxation. These may include profits from public sector business enterprises and dividends from government investment in companies. Other sources include user charges like business license fees, airport service charges, port service charges, park fees and campsite fees etc.

1.3 SOME DEFINITIONS

(a) "Financial year" means, in relation to The Government, other than local govern-

ment authority, a period of twelve months ending on 30th June of each year.

(b) "Foreign loan" means any loan contracted by the Government from non-resident sources.

(c) "Local loan" means any loan contracted by the Government from resident sources.

(d) "Minister" means the Minister responsible for finance.

(e) "Service cost" in respect of any financial year in relation to any loan means the aggregate of payments required to be made in respect of the loan during the financial year, whether such payment is of interest or in or towards the repayment of the loan.

(f) "National debt" also "public interest" "public debt" "sovereign debt" is:

(i) *The total amount of debt owed at a point in time by a government or sovereign state to lenders. It can be owed to lenders within the country or to foreign lenders;*

(ii) *The net accumulation of the government's annual budget deficit which can be financed through borrowing from within or outside the country.*

2.0 SUFFICIENCY AND INSUFFICIENCY OF GOVERNMENT REVENUES

Taxes, duties and fees are necessary for the development priority of any nation. It is es-



There is usually a huge financing gap for achieving the sustainable development goals for most of the developing countries, and Tanzania is no exception.

sential for any nation to finance investments in human capital, infrastructure as well as the provision of services for citizens and businesses, and to set the right price incentives for sustainable private sector investment – all in effort to raise the tax payment capability.

However, there is usually a huge financing gap for achieving the sustainable development goals for most of the developing countries, and Tanzania is no exception. These countries are most in need of revenues and are struggling to collect sufficient revenues to finance their own development.

3.0 THE LEGAL BACKING OF GOVERNMENT BORROWING

It is worthwhile to note some of the legal provisions which empower the Government to acquire loans, both foreign and local; hence I quote hereunder the enabling legal provisions for ease of clarity and understanding as provided by The Government Loans, Guarantees and Grants Act, [Cap 134 R.E. 2002] as amended by the Written Laws (Miscellaneous Amendments) No.2 of 2017.

THE GOVERNMENT LOANS, GUARANTEES AND GRANTS ACT, [CAP 134 R.E. 2002], AMENDED IN 2017.

Sec. 3: AUTHORITY TO RAISE FOREIGN LOANS

(1) "Subject to the provisions of this Act the Minister may, upon the advice of the National Committee, for and on behalf of the Government, from time to time, raise from outside Tanzania, upon such terms and conditions as to interest, repayment or otherwise as may be negotiated by the Minister concessional and non-concessional loans of such sums as in the opinion of the Minister are necessary to defray expenditure which may lawfully be defrayed:

Provided that the authority conferred upon the Minister by this section shall be so excised that in no financial year shall:

(a) the aggregate of the service cost becoming due and payable in respect of all outstanding foreign loans during that financial year and the four succeeding years exceed fifteen per centum of the average annual foreign exchange earnings computed on the basis of the annual foreign exchange earnings

of the preceding three financial years;

(b) the aggregate of the service cost becoming due and payable in respect of all outstanding loans (both foreign loans raised under this section and local loans raised under Part III of the act) during that financial year and the four succeeding financial years exceed thirty per centum of the average annual recurrent revenue computed on the basis of the three preceding financial years".

(2) Foreign loan may be contracted by direct borrowing from non-residents through multilateral and bilateral arrangements, issuance of bonds or other methods as the Minister may deem expedient.

Sec. 4: PAYMENT DUE IN RESPECT OF FOREIGN ASSETS

"Where the Government, with the approval of the Minister, acquires any asset under an agreement which provides for payment for such asset to be made from non-resident sources subsequent to the date of the acquisition of the asset, the sum of money payable under such agreement shall, for the purposes of this section, be deemed to be a loan raised by the Minister from non-resident sources".

Sec. 5: MONEY BORROWED TO BE PAID INTO CONSOLIDATED FUND

"All monies raised by foreign loans under the provisions of section 3 shall be paid into the Consolidated Fund and shall form part of the Consolidated Fund and be available in any manner in which such Fund is available:

Provided that:-

(a) this subsection shall not apply to any sum of money deemed by section 4 to have been borrowed under section 3;

(b) where any foreign loan has been raised for any development project for which a special fund has been established by or under the Production Development Funds Act, the Minister may, by order under his hand, direct that the whole or such part of the amount of the loan as the Minister may specify shall be paid into and form part of such fund;

where any foreign loan has been raised for the purposes of a parastatal organization the Minister may, by order under his hand, direct that the whole or such part of the amount of the loan as the Minister may specify, shall be paid into a special fund established for the purpose of giving effect to the agreement under which such loan has been raised, and every fund so established shall be deemed to be a fund established under section 12 of the Public Finance Act (not discussed here) and shall be regulated in accordance with the provisions of that Act".

I also find it necessary to quote the provisions of the same Act relevant to Government Local Loans as I so quote hereunder:

Sec. 6: AUTHORITY TO RAISE LOCAL LOANS:

"Subject to the provisions of this Part, the Minister may, on the advice of the National Committee, for and on behalf of the Government, from time to time raise, in the manner provided for in this part, loans from within Tanzania of such sums as in the opinion of the Minister are necessary to defray expenditure which may be lawfully defrayed:

Provided that the authority conferred upon the Minister by this section shall be so exercised that in no financial year the aggregate of the service cost becoming due and payable in respect of all outstanding loans (local loans as well as foreign loans) during that financial year and the four succeeding financial years shall exceed thirty per centum of the average annual recurrent revenue computed on the basis of the three preceding financial years".

It is therefore, apparent and legal that, subject to the limitations set herein above, the Minister has power to borrow from foreign/ outside sources for and on behalf of the Government of Tanzania. The Government has powers granted by the National Assembly to borrow from both foreign and local sources. Nowhere in the history of this country has it ever been shown that the Minister or any other high ranking official has misused such powers and borrowed unwarrantedly. Again, overseers like the Controller and Auditor General have a duty to report to the National Assembly on the performance of the loans.

THE ROLE OF AND POWER OF THE NATIONAL ASSEMBLY

The National Assembly has a role to play in controlling the levels of Government borrowing as is so provided in the Act referred to herein above, and I quote:

Sec 18: NATIONAL ASSEMBLY MAY VARY CEILINGS OF LOANS

(1) "The National Assembly may by resolution, amend, vary or replace the provisions of the proviso to section 3 or to section 6 in relation to any loan specified in the resolution, or generally in relation to loans raised in any financial year specified in the resolution or otherwise.

(2) The quorum of any meeting of the National Committee shall be half of the members.

(3) Members of the National Committee shall attend meetings in person, and where a member by reason of illness, infirmity or absent from the United Republic, is unable to attend any meeting, he may appoint a principal officer to attend such meeting on his behalf".

It is therefore evident that the Minister or any other person in leadership has no absolute powers to secure loans, be it local or foreign as the National Assembly may intervene and set the ceiling to such loans. It is also arguable whether or not the National Assem-

bly can, in the exercise of its powers restrain the Minister from raising loans which, in their opinion, will have detrimental effects to the nation.

4.0 NATIONAL DEBT AND ITS IMPLICATIONS

The main consequences of a growing national debt are:

(a) LOWER NATIONAL SAVINGS AND INCOME

In increased government borrowing, a higher percentage of the savings available for investment would go towards government securities, and in turn this would decrease the amount invested in private ventures such as factories and industries, thus making the workforce less productive. In effect this would lead to a negative effect on wages which are normally determined by workers' productivity, thus the reduction in investment would reduce wages as well leading to reduced peoples' incentive to work;

(b) INTEREST PAYMENTS CREATING PRESSURE ON OTHER SPENDING

The national interest payments will increase rapidly as interest rates return to more typical levels from historically low levels and the debt grows. Since interest will take more of the budget, the nation will have less available for development programs. In order to maintain the same level of benefits and services without running large deficits, the nation will have to acquire more revenue, but through higher marginal tax rates. In effect this will discourage people from working and saving, therefore reducing production and income. This vicious cycle will lead to further economic downfall.

(c) DECREASED ABILITY TO RESPOND TO PROBLEMS

Normally governments borrow for unexpected eventualities like financial crisis, natural disasters and even wars, which can be easy to do when the national debt is relatively small. If the national debt becomes large and continues growing the government will have fewer options available. For instance, with growing rate of government debt, the government can respond by increasing spending and cutting taxes in order to stimulate the economy. High and rising national debt decreases the ability to maintain the country's ability to respond quickly to potentially devastating effects of various types of crises.

(d) GREATER RISK OF FISCAL CRISES

If the debt continues to rise, lenders will likely lose confidence in the government ability to pay back the borrowed funds, and will therefore demand higher interest rates on the debt and at some point rates could rise sharply and suddenly, creating wider economic consequences.

All else being equal (*ceteris paribus*), the larger a government debt, the greater the risk of a fiscal crisis.

5.0 TANZANIA'S POSITION IN GOVERNMENT DEBT

The Government Debt has been growing since 2010 in global debt terms, when it was 6,561million euro; 8,697 million dollars and also in terms of GDP percentage when it amounted to 27.55 per centum.

“
Subject to the
limitations set
herein above, the
Minister has power to
borrow from foreign/
outside sources for
and on behalf of
the Government of
Tanzania.”

Continues page25

Meet Dr Richard

In sedentary lifestyle



Humans are built to stand upright. Your heart and cardiovascular system work more effectively that way. Your bowel also functions more efficiently when you are upright. It is common for people who are bedridden in hospital to experience problems with their bowel function.

When you are physically active, on the other hand, your overall energy levels and endurance improve, and your bones maintain strength. Without beating about the bush, Accountants, Auditors and others living sitting down for long periods, with little physical activity, is part of what doctors call a sedentary lifestyle. In other words, sitting is the new smoking many find themselves without realizing.

Equally, the Centers for Disease Control and Prevention (CDC) suggests that sedentary lifestyles with no physical activity increase a person's risk of developing health conditions such as: type 2 diabetes and heart disease.

Research suggests that people who spend more time sitting have a 112 per cent higher risk of diabetes and commenting on the ailments, meet Dr Richard Sengoga, who sheds light on the disease.

DIABETES MELLITUS is a clinical syndrome characterized by persistently high blood glucose values due to deficiency or diminished effectiveness of insulin.

Overview

Diabetes is a chronic disease that occurs either when the pancreas does not produce enough insulin or when the body cannot effectively use the insulin it produces. Insulin is a hormone that regulates blood glucose. Hyperglycaemia, also called raised blood glucose or raised blood sugar, is a common effect of uncontrolled diabetes and over time leads to serious damage to many of the body's systems, especially the nerves and blood vessels.

In 2014, 8.5% of adults aged 18 years and older had diabetes. In 2019, diabetes was the direct cause of 1.5 million deaths and 48% of all deaths due to diabetes occurred before the age of 70 years. Another 460 000 kidney disease deaths were caused by diabetes, and raised blood glucose causes around 20% of cardiovascular deaths (1).

Between 2000 and 2019, there was a 3% increase in age-standardized mortality rates from diabetes. In lower-middle-income countries, the mortality rate due to diabetes increased 13%.

By contrast, the probability of dying from any one of the four main noncommunicable diseases (cardiovascular diseases, cancer,

chronic respiratory diseases or diabetes) between the ages of 30 and 70 decreased by 22% globally between 2000 and 2019.

Classification

Diabetes mellitus can be classified as follows:-

Type 1 Diabetes mellitus (T1DM)-due to autoimmune B-cell destruction;

Type 2 Diabetes mellitus (T2DM) due to a progressive loss of B-cell insulin secretion frequently with underlying insulin resistance.

■ Gestational Diabetes mellitus (GDM) diabetes diagnosed in the second or third trimester of pregnancy that was not clearly overt diabetes prior to gestation.

■ Specific types of diabetes-due to other causes such as monogenic diseases of the exocrine pancreas and drugs or chemicals.

Diagnostic criteria

• Main clinical features of diabetes are thirst, polydipsia, polyuria, tiredness, loss of weight, blurring of vision.

• Many people have no classical symptoms and may only present them late with the symptoms being related to complications including pruritis vulvae and balanitis due to infections, paraesthesia or pain in the limbs and non-healing ulcer as well as recurrent bacterial infections.

WHO diagnostic criteria 2006

- Fasting plasma glucose level equal or more 7.0mmol/l (126 mg/dl)
- plasma glucose 11.1 or more mmol/l (200mg/dl) two hours after a 75g oral glucose load in a glucose tolerance test
- symptoms of hypoglycaemia and casual plasma glucose 11.1 mmol/l or more {200 mg/dl)
- Glycated hemoglobin (HbA1c) 6.5% or more

Diagnosis of gestational diabetes (WHO criteria 2013)

- Fasting plasma glucose 5.1-6.9mmol/l
- 2-hour plasma glucose 8.5-11.0 mmol/l following a 75g oral glucose load.

Note

Fasting plasma glucose 5.1-6.9 mmol/L or 2 hour plasma glucose higher than 11.0 mmol/L are considered overt diabetes rather than GDM.

At risk screening

Early diagnosis and good control reduce the risk of costly complications and reduce the deterioration of islet function in T2DM.

The following people should therefore be screened with fasting blood glucose or HbA1c at least yearly when they visit health facilities:

- Those aged 40 or more years
- Children and adults less than 40 years who are overweight or obese and who have two or more additional risk factors for diabetes
- Individuals with impaired glucose tolerance or impaired fasting glucose nor a history of a cardiovascular event.

People on long term steroids or immunosuppressants

- Women with a history of gestational diabetes mellitus or polycystic ovary syndrome
- All pregnant women at the first antenatal visit if overweight, have had gestational diabetes, babies with birth weight 4kg or more, previous stillbirth or neonatal death. Screening should be repeated in the second trimester if negative
- All women during the 2nd or 3rd trimester (for gestational diabetes).

Diabetes

Key facts

■ The number of people with diabetes rose from 108 million in 1980 to 422 million in 2014. Prevalence has been rising more rapidly in low- and middle-income countries than in high-income countries.

■ Diabetes is a major cause of blindness, kidney failure, heart attacks, stroke and lower limb amputation.

■ Between 2000 and 2019, there was a 3% increase in diabetes mortality rates by age.

■ In 2019, diabetes and kidney disease due to diabetes caused an estimated 2 million deaths.

■ A healthy diet, regular physical activity, maintaining a normal body weight and avoiding tobacco use are ways to prevent or delay the onset of type 2 diabetes.

■ Diabetes can be treated and its consequences avoided or delayed with diet, physical activity, medication and regular screening and treatment for complications.

Reduce your sedentary behaviour

Here are some simple ideas to keep you moving while you're at home:

- When you're tidying up, put items away in small trips rather than taking it all together.
- Set the timer on your television to turn off an hour earlier than usual to remind you to get up and move.
- Walk around when you're on the phone.
- Stand up and do some ironing during your favourite television shows.
- Rather than sitting down to read, listen to recorded books while you walk, clean, or work in the garden.
- Stand on public transport, or get off one stop early and walk to your destination.

If you work in an office:

- Stand up while you read emails or reports.
- Move your rubbish bin away from your desk so you have to get up to throw anything away.
- Use the speaker phone for conference calls and walk around the room during the calls.

Government borrowing



From page23

It has been reported that, compared with the rest of the world, Tanzania has improved in 2020 in terms of GDP percentage. Currently Tanzania is number 43 in the list of debt to GDP and 23 in debt per capita, out of 190 countries published by countryeconomy.com. It is worthwhile to look at the trend of Tanzania's Evolution of Debt as quoted here-under:

Date	Debt (\$m)	Debt (%GDP)	Debt Per Capita (\$)
2020	25,270	39.15	423
2019	23,739	39.04	409
2018	22,999	40.54	408
2017	21,732	40.73	398
2016	19,822	39.80	374
2015	18,587	39.21	361
2014	18,069	36.09	362
2013	14,951	32.72	308
2012	11,912	30.05	261
2011	9,680	28.38	216
2010	8,697	27.55	202
2009	6,986	24.01	167
2008	6,067	21.74	149
2007	5,188	23.76	131
2006	6,507	34.46	169
2005	7,924	46.09	212
2004	6,945	44.52	191
2003	6,296	44.38	178
2002	6,242	47.37	182
2001	6,406	50.77	192



Prepared by underlined expert

Dr Adamson Kariwa, PhD – Advocate

LLB (Hons), PGD (LP), NAD, CPA(T), MBA, MSc, MA, PhD, FCPA-PP, FTAA

He is retired after serving in Tanzania National Parks for 20 years as Director, 10 years in Tanzania Tourist Corporation as Chief Accountant and shortly as their Chief Internal Auditor. Prior to that he spent 10 years as Tax Officer, Financial Accountant and Management Accountant. He is:

- Advocate of the High Court
- Tax Consultant
- Environmental Expert(EIA & EA)
- Auditor
- Legal Consultant
- Business Consultant
- Trainer in HRM, Accountancy & Environmental Auditing

According to the East African newspaper of January 1-7, 2022, Kenya, Tanzania and Uganda have indicated they will be in the market as early as this month (January, 2022) for a mix of sovereign bonds, syndicated and commercial loans as they seek to support their budgets, which have huge deficits, amid looming loan repayments for ongoing infrastructure projects.

Tanzania has indicated it will be seeking loans in the new year of 2022 to push through its ambitious infrastructure projects; coming days after it signed a contract with Turkish firm of Yapi Merkezi to build a 368 km section of its standard gauge railway, which will be funded by loans and is expected to cost \$1.9 billion.

Compared with other East African countries, Tanzania is not the worst in terms of current national debt.

EAST AFRICA: TOTAL DEBT, JUNE, 2021:

Kenya	\$67.20 billion
Tanzania	\$33.88 billion
Uganda	\$18.90 billion
Rwanda	\$ 5.80 billion

Given the above situation, Tanzania is not at risk of debt distress.

The same paper reported that the Bank of Tanzania Governor, Professor Florens Luoga has said that the loans were sustainable

and that there was room for more borrowing. Luoga maintains that Tanzania can borrow up to 70 per centum of its GDP, while at the moment it has only reached 27.9 per centum in 2020. He said, "So far, Tanzania has not touched the threshold of debt distress. We are still in the green".

Some highly placed non economists in the country have made lay comments about the national debt saying that the country is overburdened with debts and that the government should squeeze the tax payers more by escalating levies and taxes in order to finance the infrastructure projects. To the least of the learned economists, this is absurd and lame in the sense that the citizens are already overburdened with the various levies and taxes.

Tanzania is not borrowing for food but for projects that will continue to produce, thus the country's debt resilience will continue to be better as income increases.

6.0 CONCLUSION

Given the above scenario and explanation, Tanzania has a large room still open for borrowing, especially for productive infrastructure projects, and the government should continue to ensure that the money so borrowed is properly channeled to those productive projects with positive impact on the economic growth of the nation and increased exports.

What has given rise to the recent negative arguments on government borrowing is mostly due to lack of comprehension and knowledge on the subject matter by the critics. Nowhere in the laws of Tanzania does it compel either the Minister or the President to come forward and tell the people the manner and amount they have borrowed, provided that the legal directions have been followed and properly reported to the National Assembly. The transparency displayed by Her Excellency Samia Suluhu Hassan, President of the United Republic of Tanzania is exemplary. In my opinion, the President deserves praise and support from every peace loving citizen of this country for what she is doing and for being so transparent.

The most important thing to know is that, as things stand at the moment and for the foreseeable future, borrowing is inevitable. It is the responsibility of the government to decide.

Reference:

1. Government Loans, Guarantees and Grants Act [Cap 134 R.E. 2002];
2. Public Finance Act, 2021
3. www.countryeconomy.com
4. East African newspaper (January 1-7, 2022).



Where are the female accountants?

By CPA Sophia Mbisi

What's rather odd in career pursuit is that most girls hate mathematics and this is unjustified statement that can not be proved and should not make women consider professions like accounting not theirs.

As the society and technologies change, more women are choosing to be accountants and find themselves managing it with excellence just like their male counterparts.

In quick analysis, women need to have both careers and families balanced and in the course, motivate others to pursue accounting, for instance, because it involves financial transactions right from the households to the businesses they run including salaried jobs.

It is easier for young women to find confidence and start pursuing careers in areas traditionally dominated by men, because what is considered is merit, not otherwise, so that they become role models and mentor young female accountants.

Although a lot of women are enrolling in accounting and professionally become competent and represent their institutions, their numbers are declining as they ascend in hier-

archy in the positions.

This brings the question-why are women accountants not found in many high positions? I have been talking with different women in accounting industry and managed to gather some reasons, which come as:

- **Work-life balance:** High positions in accounting can be so demanding and posing a challenge for women to maintain in terms of balancing between work and health

- **Family:** In a way, it becomes hard for a woman to run a family and advance in a career in comparison to men, who are protected by cultures in the society.

- **Gender roles:** Women also face challenges in progressing into leadership roles in organizations, which rigidly subscribe to certain gender norm. Many organizations believe men are capable more than women without proving findings.

To counter these, it is high time for women to take positions in top managements and accounting sectors to challenge these stereotype ideas, because no research and data can justify that women should be in the periphery or remain as observers in the management of institutions. For that matter, I would

suggest the following:

- **Women should take part in acquiring knowledge of accounting tools and technologies;** this includes essential business tools, computer programmes and specialized accounting technologies which will help to ease the accounting tasks ahead of them.

- **Time management:** As an accountant, a woman with such career must have multiple upcoming deadlines, meetings, tasks and be responsible in balancing work and family issues. This will help in cultivating a health by work-life balance.

- **Communication:** Communication is vital for every employee in every industry and accounting is no exception. Women must be able to communicate well verbally and in written form as expected. Women must have good communication skills to communicate with clients, coworkers and employers across several different mediums. A female accountant should be comfortable in translating figures and explaining complex financial concepts to people who do not understand accounting in a simple language.

- **Problem solving and critical thinking abilities:** Women in accounting you must be strong problem solvers and also critical thinkers with skills which show competence. It is not a must that they must have all the answers ready for problems to be addressed, but they must be capable to think outside the box and bring sensible solutions to circumstances.

For that matter, I encourage my fellow female accountants to take high-level positions in the accounting field without fear.

Position such as a partner in firms, financial controllers, financial managers, finance directors and other big post are not preserves of a particular sex. This will create a culture of leadership and inspire the next generation of female accountants to continue striving toward their own career advancement.

In Tanzania we have the Tanzania Society of Women Certified Accountants (TAWCA) and I encourage female accountants to join it, because it provides a supportive environment and valuable resources for its members to achieve their professional, personal and economic goals through networking and various programs.

The association also promotes those aspiring to become certified accountants and young girls to enroll in the accountancy profession and encourages them to explore their personal and professional ambitions. TAWCA members are inspiring to show in many ways that professionals, leaders, rising leaders and influencers are making a difference for women in the accounting profession.

– The author CPA Sophia Mbisi is Assistant Manager Finance at the Alliance Insurance Corporation LTD.



Recruit TAA mentored Accountants, NGOs advised

By **CPA Victorious Kamuntu**
– TAA Vice President

As much as the government requires stakeholders to support in taking services to the population right into the grassroots on humanitarian grounds, it is still upon them to realize that financial management of their enterprises rests at the doorsteps of accountants.

Taking the stance, CPA Victorious Kamuntu said Accountants are skilled in preparing accounts and tax return, auditing financial information, compiling and presenting reports, budgets, business plans, commentaries and financial statements, analysing business plans, providing tax planning services based on current legislation and financial forecasting and risk analysis amongst others.

When these are observed by any Non-Governmental Organisation (NGO) supporting the State in reaching the citizens with different support ranging from poverty reduction to education, most of the challenges as gaps in society/community will be addressed.

However, it becomes unfortunate that some are being deregistered for lack of professionalism, especially failure to manage their accounts and comply with monthly, quarterly and annual reports' remittance, something that a professional accountant is able to do.

For instance, more than 400 NGOs have been deregistered for lack of compliance something that was within the domain of the Tanzanian Association of Accountants (TAA) to save them by providing them with the right professionals.

He further said that at TAA, they provide capacity building to accountants tailored according to the demand of employers NGOs inclusive, adding: "We offer skills on fiscal policies, being involved with our stakeholders to collect views in every financial year and submitting to the Ministry of Finance for scrutinizing and making decisions and this kind of skill could have saved them."

Likewise, CPA Kamuntu said that within

TAA, they also run mentorship programmes, where they also advice and groom professionals to align with the expectations required in the field.

He added: "There is no institution that is offering mentorship per se to Accountants or any profession, but at our TAA pool, they provided."

Elaborating, he further said that they have also signed Memorandum of Understanding (MoU) with stakeholders with Nelson Mandela University, Ministry of Gender Youth and Development, and other associates like reputable auditing firms (KPMG) to prepare TAA to work with the public institutions to provide the synergy that is required for their growth.

With BRELA (Business Registration and Licensing Agency) that administers various business laws including the Companies Act Cap 212; Business Names Act Cap 213 R.E.6 Mac 2023 to create favorable and conducive business environment in Tanzania, he said TAA engages with them so that all companies registered in the country get professional accountants to help them sustain in business, never fail to comply and provide services required in the public.

In his piece of advice to NGOs, it is TAA that has a pool of professionals to guide them on financial matters so that they don't lose their resources, saying: "We also engage with the public through the media so that they become enlightened on financial issues."

Citing the 'Daily News', where TAA has been contributing on Weekly Column on Tax Compliance, CPA Kamuntu said that mobilizing and educating the public to pay taxes is a healthy approach for any government to collect internal taxes, without necessarily thinking of borrowing from outside the country to survive.





Ambitious horticulture's blueprint eyes \$1 billion export value

By **Emmanuel Munisi**

It is a hat off that Tanzania has rolled-out one of its 'most far-reaching strategies' that will see the value of horticultural exports ballooning to \$1 billion annually by 2026. Netting the economy \$779 million annually at the moment, horticulture industry strategically offers the country the long-term potential to create decent jobs, generate wind-fall foreign exchange and boost poverty-reduction efforts.

Unveiling the ambitious blueprint crafted by the champion of sub-sector, Tanzania Horticultural Association (TAHA), during the Horticulture Business Forum and 15th TAHA's Annual General Meeting in Arusha recently, the Minister of Agriculture, Mr Hussein Bashe directed his subordinates to work with private sector players to convene a national horticultural conference in the near future to deliberate and adopt the strategy. Here, the Minister underlined the horticulture industry as central to the country's economy, livelihoods and poverty reduction, particularly for women and youth. "We are going to sign a Memorandum of understanding (MoU) with TAHA and other players in a bid to unlock the potential of the horticulture industry and contribute significantly to the economy," Mr. Bashe revealed.

Billed as a grand strategy compiled in a 45-page, full-color document seeks the joint efforts from public, private sectors and more

importantly the development partners to open up regional and international markets for horticulture in the forthcoming five years. Mr. Bashe hinted to the stakeholders that his eyes are now set to unlock the \$133 million worth Chinese avocado market with 1.4 billion consumers, after the two key markets of India and South Africa were recently opened up to bolster bilateral trade ties and bring higher returns to smallholder growers.

TAHA's blueprint builds on the elapsed plan (2017-2021), new opportunities and challenges facing the industry, and institutional set up of the organisation including reach out services to its members. The plan will see over 2,000 metric tonnes of horticultural products exported come 2026, up from barely 850 metric tonnes exported in 2021. The blueprint will spearhead the yield of avocados per acre to rise from 4,800 kg in 2020 to 9,600 kg by 2026, pineapples from 25,000 kg to 36,000 kg, passion fruits from 14,000 kg to 19,600 kg, mangoes from 5,850 to 8,190 kg and bananas from 4,590 to 29,400 kg.

To realize the high productivity, TAHA Chief Executive Officer (CEO), Ms Jacqueline Mkindi said they will need to mobilize over \$1million worth of soft and long term loans for its members and other industry players to be able to invest. As if that was not enough, Ms Mkindi said the entire blueprint execution requires at least \$30 million to increase the global and local competitiveness towards a sustainable, resilient, and inclusive growth of

horticulture industry. Whereas TAHA is optimistic that membership and service fees will cover 25 per cent of the strategy costs, the lion's share of the funds are expected from the key development partners.

USDA and USAID contributed 29 per cent of the TAHA's outgoing strategic Plan (2017-2021) trailed by Sweden 24 per cent and UNDP, Trade Mark East Africa (TMEA) and TRIAS from Belgium and Andreas Hermes Akademie (AHA) 9 per cent each. The organization had also attracted contributions from RIKOLTO from Belgium 7 per cent; EU, TRIAS and AHA 5 percent; Fintrack 2 per cent; and Plan International, Finland, TAHA members and others 1 per cent each.

The blueprint tasks the industry to adapt changes and mitigate the impact of climate change by integrating environmental conservation aspects across activities to be implemented in a bid to promote a healthy and balanced ecosystem. To realize the objective, TAHA will have to build the capacity of about 50,000 farmers in a new concept dubbed climate-smart-agriculture (CSA) and over 200 crop-based facilitators to promote the model and to transform horticultural activities into green and climate resilient practices. The CSA practices aim at sustainably boosting agricultural productivity and incomes, adapting and building resilience to climate change and reducing, if not removing, greenhouse gas emissions. The new approach calls for the TAHA to devise a CSA action plan and to harness partnerships with fisheries, livestock keeping and forestry, among others, if the organization is to promote biodiversity for a healthy soil and ecosystem.

The introduction and promotion of fisheries and livestock keeping will, in turn, be a boon to players in organic farming, as the practice will bring about the much-needed manure for cutting down the use of industrial fertilizers. The practice of agroforestry, environmentally safe pest and disease control agents as well as water-efficient farming practices will also be introduced and promoted for the industry to adapt to the increasing water constraints in the country.

The climate change mitigation interventions will further promote key fruits value chains in areas with degraded land, including Dodoma and Singida, to generate economic returns for farmers and the economy, while playing the shrinking role of forests. Special varieties of trees such as *Gliricidia* will be planted along Uluguru and other mountainous areas to produce vanilla and animal feeds.

The new strategic plan also requires TAHA to establish a market authority to coordinate all value chain actors and to improve produce handling facilities countrywide. TAHA will also have to collaborate with other partners in reducing post-harvest losses in key value chains by 70 percent in 2026, up from 20 percent recorded in 2020. TAHA will carry out nutrition promotion programmes to ensure at least 70 per cent of households countrywide diversify diets to improve their health through horticultural products and in so doing, expanding the local market for the industry.

The changing funding landscape in the Eastern Africa region



By Dr James Njagu

Did you know that the funding landscape in Africa is changing rapidly? This has huge implications for fundraisers and resource mobilizers. Dr James Njagu, former Head of Resource Mobilization and Management at the East African Community Secretariat explains. Are you ready for the new reality?

The Eastern African region is Africa's fastest growing region in recent years, according to the African Development Bank. Given the weak economic situation of the region, there has always been a strong rationale for aid and humanitarian programmes. Many grants from bilateral, and multilateral agencies as well as foundations are reaching the region. Traditionally, they focus on poverty alleviation, agriculture, and health and to some extent on social development, governance and democracy.

However, since 2011, traditional aid flows have been declining. Largely driven by a pan-African policy shift that recognizes that while aid is important in the short to medium term, it is not sustainable in the long run. African countries are now developing policies that reduce their aid dependency while intensifying domestic resource mobilization, diaspora remittance strategies and south-south cooperation.

With the low grants flow in the region, governments, private sector and civil society organizations are adopting other instruments such as green bonds and loans, sustainabili-



Proactiveness is key! It is all about friends raising before Fundraising, its about inspiring and motivating funders to give by appealing to their head, hearts and to their emotions

ty-linked bonds, and debt-for-climate swaps. Debt is also an emerging new source of funding for Eastern Africa. Countries in the region, especially those with sounder economies, are now either borrowing from major financial institutions or directly on international capital markets. In this context, donors are keener on providing concessional loans – loans at more favorable conditions than on the market – rather than grants. The debt to GDP ratio for East Africa has been increasing steadily from 54% in 2014 to 83.5% in 2020.

With the increasing public debt and uncertainty of aid, the private sector is now playing a significant role in funding. Main private sector actors are corporate foundations, commercial banks, development banks, financial markets, private-public partnerships, angel investments and equity.

The funding landscape in the region is also changing in terms of priority areas. More grants and concessional loans are now targeting infrastructure and emergencies. Infrastructure development in the last five years took 43% percent of ODA. Lastly, there has also been a shift from the traditional donors of Organization for Economic Cooperation and Development (OECD) countries to non-OECD donors, particularly China. While in general terms the ODI from OECD countries is still higher, Chinese assistance to Africa has been increasing gradually since 2013, according to World Bank.

All in all, this means that many government institutions, and I/NGOs are now heavily competing for grants or other financial assistance. To stay alive, it is imperative to align your funding strategies and plans to the new realities. Diversifying your resource base is essential. But are you aware of the many new funding modalities? Are you equipped to better connect your organization to the funder's causes? To tap into private sector funding? To tap to the Diaspora remittances? It is no longer an option to rely on traditional donor calls and grants. Proactiveness is key! It is all about friends raising before Fundraising, its about inspiring and motivating funders to give by appealing to their head, hearts and to their emotions. Resources mobilization is both an art and a science. Its imperative for organizations to invest in building staff capacity in the area of Resources Mobilization and fundraising.

Dr James Njagu who is an international consultant with over 20 years of experience in Resources Mobilization for both NGOs and public institutions can help in making your organisation increase the resources base by supporting in designing and developing vibrant Resources Mobilization strategies, help you write winning proposals and train your staff and Boards on the nuggets of Resources Mobilization and Fundraising. Dr Njagu can provide direct assistance to co-design your funding strategies.

**The writer can be reached via
Njaguj@yahoo.com, +254 722 528064**

Management of grants and sub-grants received by NGO

By CPA Gerry Lufingo

In the previous article we discussed in detail on how to access grants, either through Request for Proposal (RFP), or Request for Application (RFA). The request for application sometimes is known as the notice of funding opportunity (NOFO). At the end of previous article, we introduced management of grants received by an organization usually a Non-governmental organisation (NGO).

In this article we are going to discuss further on the management of grants received by a NGO in the form of agreement or sub-agreement.

An organisation that receives grants direct from a donor normally a government agency, is referred to as a prime recipient or prime. Sometimes execution of an activity intended by a donor can not be accomplished by a prime organization alone, but the prime will make effort to sub contract other organisation(s) to execute part(s) of the intended activity in order to achieve the prescribed objective. Organisation(s) that enter into agreement with a prime in order to accomplish intended activity is referred to as the sub-recipient or subgrantee organisation.

When a prime organisation awards a grant to sub-recipient (subgrantee) they pay attention to such matters as sub recipient's integrity, record of past performance, financial management and technical capacity. All sub agreements should be made only with responsible sub-recipients that possess the ability to perform successfully under the terms and condition of sub-agreement.

Prime organisation must maintain a system for sub-agreement administration to ensure that sub-recipients conform to the terms and conditions of sub-agreements. They will document whether the sub-recipients have met the terms and conditions of sub-agreements. Once the decision has been made to proceed, a sub-agreement must be signed by the Prime and sub-recipient organisation before any funds can be disbursed. Normally Program Officers and/ Grant Manager will have personally gone over the sub-agreement document with the sub-recipient organization prior to presenting for signing by mandated parties. The appended documents such as work plans, detailed budgets, and uniform guidance (e.g 2CFR200&2CFR700 and required certifications for the case of USAID Awards) become part of binding sub-agreement).

Compliance training

The Donor or Prime organization will train sub-recipients on the sub-grant financial and



If the Finance Officer does not accept the financial report s/ he must work with the Sub recipient to determine what needs to be done to fix it. Once Finance Officer deems the financial report acceptable, he/she forwards it to Finance Manager for technical review before sending it to the Prime Organization's CEO



A Prime Organisation will track all funds transfers to and expenditures by sub recipient(s) on monthly basis. It is the responsibility of each sub-recipient to properly keep records of funds received and incurred expenses including financial charges on monthly basis.

administrative requirements and applicable cost principles. The objective of the training is to build capacity of sub-recipients on the grant financial and administrative compliance matters.

Participants in such training will include organisation leaders, project finance and program officers. Technical assistance and mentoring to grant sub-recipients will be provided in the management and implementation of activities with a view to achieving program results and to strengthen the organizations' capacities to deliver. The areas of continued technical assistance will include financial management, administrative requirements, monitoring and evaluation.

The Prime organization follows a participatory capacity assessment methodology to assist in the diagnosis of training and technical assistance needs. It will provide technical assistance and mentoring to ensure that recipient activities follow donor standard provisions and regulations.

Additionally they will discuss on the roles, responsibilities, and expectations in the project. This is especially important in projects with new partners, multiple partners and new donors. Many donors have strict guidelines on financial management and project activities and the sub-recipients need to know what is expected of them and how to comply. Initial training may last up to five days and focus on:

(1) Partnership principles, program quality principles and policies.

(2) Expectations of partners, Prime Organisation, Consortium Members, and the donor.

(3) The goals, objectives and time-line of the project.

(4) The working relationships between the sub-recipient, the Prime, Consortium Members, and the Donor (4) Cost principles, financial and administrative requirements.

Grants Manager must visit the sub-recipient during the first quarter of the project to make sure that the sub-recipient has the necessary information to conduct the project e.g., the final proposal text, work plan, budget, and copies of appropriate regulations, circulars, and certifications. The Sub-recipient concerns/questions about the project are addressed, and the sub-recipients understand the proposed activities and objectives thoroughly and are aware of what is expected of them.

■ The sub-recipients are aware of the Prime organisation's financial procedures e.g. procedures related to account coding, financial book-keeping, project and finance officers' roles and responsibilities, reporting deadlines and contents.

■ Project Finance officer is capable to work with a computer and if not confirm any ar-

rangement for necessary basic computer training.

Grant Monitoring

The prime organisation monitoring tools include Monthly financial reports, Quarterly technical reports, Internal fund tracking sheet, Supervision visits, Annual grant audit and program mid-term evaluation.

Monthly Financial Reports

Grant Sub-recipient is responsible for sending in their financial reports to the Prime organization in accordance with contracted schedule. This schedule is based on the timing of the grant financial reporting requirements which may be different from one program to another. Similarly the Prime organization will be required to submit a financial report to the donor on agreed dates where the funding originates outside the organization. Where the funding originates from within then the sub recipients financial reports will end at the office of the Prime Organization. It is the responsibility of Grants Officer at Prime organization to make sure that s/he has the required reports from the sub-recipients in time and that the same are analyzed in time.

When Finance Officer at Prime organisation receives the financial reports and analyzes them, s/he should pay close attention to accuracy of the report, complete supporting documents and ensure there is a system in place to ensure that receipts may not be re-submitted or submitted to another donor for reimbursement.

They must pay attention on overspending of the obligated amount to sub-recipient budget, spending in non-approved cost categories, overspending cost categories by at least 10 per cent, and spending on unallowable costs.

Spending on items that need prior approval such as expensive equipment, international travel, major budget modifications and the rest. Interest income earned (if any) must be reported. Program income received must also be reported. Sub-recipients are discouraged from receiving program income, but if they do it must be included in the report, and it is considered additive.

If the Finance Officer does not accept the financial report s/he must work with the Sub recipient to determine what needs to be done to fix it. Once Finance Officer deems the financial report acceptable, he/she forwards it to Finance Manager for technical review before sending it to the Prime Organization's CEO. It is the CEO who finally sends it to the Donor. However, if the funding comes from within Prime Organization such reports end at Prime Organization Headquarters. The Grants Manager or her/his designate will initially visit the sub-recipient monthly to review original source documentation for

all expenses. The frequency of visits may be decreased if the Sub recipient demonstrates competence in accountability and management of finances.

Quarterly Technical Reports

The sub-recipient shall submit, within specified days at the conclusion of each quarter (three months), a quarterly technical report to a prime organization using a prescribed format, summarizing the following items:

- Summary of key activities undertaken during the period under review.
- Statistical description of progress toward attaining the activity results according to the indicators in the evaluation plan included in the Program Description;
- Description of challenges encountered and their potential effect on success of the activity covered by the sub-recipient agreement, and proposed action by the sub-recipient to address the challenges.
- Description of the key activities in the future plan next to the reported period.

Internal fund tracking

A Prime Organisation will track all funds transfers to and expenditures by sub recipient(s) on monthly basis. It is the responsibility of each sub-recipient to properly keep records of funds received and incurred expenses including financial charges on monthly basis. Each Program officer shall maintain a finance ledger for each sub grantee under her/his portfolio. Grants manager will keep summary of all sub recipients finance ledgers which show funds disbursements and liquidations made. This finance summary tracks movement of cash under the grant by each grant recipient-hence the term tracking.

Supportive Supervision

After awarding sub-grants, a Prime organization will closely monitor the sub-recipient, programmatically and financially. Monitoring will be carried out in a spirit of helpfulness and in collaboration with the sub-recipient. Monitoring will take the form of site-visits as well as review of sub-recipient plans, and monthly financial and quarterly technical reports. It is most important that sub-recipients closely adhere to their plans, advising a Prime Organization of any significant changes in the timing of activities and seek necessary prior approvals when it is required.

Through site-visits, a Prime Organization is able to better gauge ongoing technical assistance needs in the area of program management. Site visits are intended primarily to monitor the quality and effectiveness of Sub-recipients activities as well as compliance. To ensure compliance, Prime organization Grants manager will ensure that all necessary activity-related information and forms

are on file. In addition, site visits will serve to identify and address on-going technical assistance needs in the areas of program and financial management. The M&E Index will be a basis for monitoring results against indicated targets.

Annual grant audit

A sub-recipient that receives funding from Government source shall have a single or program-specific audit conducted for that year in accordance with prescribed guidelines, and Grants Manager should make sure that the sub recipient follows the guidelines. Sub recipient may use the Prime organization funds for this cost if it is in their budget. Once the audit is complete, the sub recipient must send the Grants Manager the audit findings including all management letters, comments, findings or adjustments within 14 days of receipt of the findings. Depending on the results of the audit the Grants Manager may require additional monitoring of the sub-recipient and action as a result of any internal control or cash management issue identified by the audit.

Program mid-term evaluation

A Prime organization whose program takes at least 5 years is evaluated by independent consultants at least once in 30 months. During such exercise sub-recipients are evaluated as part of the overall program. Sub-recipients are informed in advance on the exact date of evaluation and requested to confirm their availability during the exercise. Projects that last in a shorter period may be evaluated once at the end of the project.

In the next article we will discuss on a Project close out procedures.

• The writer of this article, CPA Gerry Lufingo is reachable at gerrylufingo@gmail.com

Gerry Lufingo is a registered Tanzania CPA and earned an MBA degree with honours from Business School at Jackson State University, JX MS in United States. He has been a Trainer in USAID and CDC financial rules and regulations including both the "Green Book" and GAGAS ["Yellow Book"] for USG funded sub-recipients organizations. He received trainings from prominent experts including Douglas Franke, a practicing US CPA with over 40 Years' experience in working with USAID regulations and policies & procedures, and Robert Stross Chartered, a US practicing CPA with over 50 Years' experience as official expert in USG financial regulations, rules and policies & procedures. Gerry Lufingo is a Financial Management Consultant, and member of the Tanzania Accountants Association (TAA)

What members say about TAA

There are many opportunities to grow, develop and highlight your leadership skills. Most associations like the Tanzania Association of Accountants (TAA) are run on volunteerism which can range from being a Member, Mentor, or even to help organize an event and above all the President-when members decide so. All are opportunities to expand your knowledge, influence and overall network. In quick analysis, some members including CPA Edward Charlesiteba, CPA Martha Igogo, CPA Alexina Mayla, CPA Aaron Chaula, shared their views as follow

CPA Alexina Mayla

When I joined TAA in 2020 after qualifying as a full CPA, honest I have benefited a lot by making bridges to secure several employment opportunities to the extent that I had to decide, where to land in.

I have met many skilled people who guided me and actually I learnt a lot in the profession that as an Accountant, one should try to network so as to acquire new developments in the career.

Within the pool of TAA, an Accountant will get a platform to meet and discuss all matters in the profession and hence, come out with the solution that is beneficial to his/her area of work.

Through seminars run by the TAA, a member will get a chance to acquire new knowledge and expand in career development.

My advice to the public, especially the business community is to try as much as possible to hire accountants in their business activities, because they will be guaranteed skills in managing business finances, supporting business growth and compliance with existing laws for example Tax laws and regulations, which culminate in avoiding fines and penalties.



Issa Mdoe

Since I joined Tanzania Association of Accountants (TAA), it has been a family I can't do without because among other things, it has upgraded my knowledge and understanding in the field of Accounts or simply financial matters in general. TAA has managed to offer me several trainings and seminars I call block chain, which have exposed me to know what my peers and mentors experienced.

Here, the members are continuously made aware of local and international developments in technical matters through TAA's Professional Accountant Journal and dissemination of the international literature. By being represented by TAA nominees at National Board of Accountants and Auditors (NBAA) Board, members have the opportunity to influence NBAA's decision making process and to ensure that NBAA serves to the interest of the members of the accountancy profession and the public at large.

On why it is important for traders to hire Accountants/Auditors in their business premises, he said: "When running a small business, you have to manage various aspects of operations, from routine business operations to customer service, in order to increase your sales.



CPA Edward Charles Iteba

On being a member of the TAA, one will automatically get opportunities to network with others, because networking can help one discover new job opportunities, gain career advice, and increase ones' chances of being recommended for positions. A strong professional network can also help one stay updated on the latest industry developments and provide insights into the job market.

On the same vein, membership will guarantee a member an opportunity to get mentorship and keep pace with changes in the financial realm that is flexible and get updated.

Mentors encourage and enable another person's professional or personal development. A mentor can help focus their efforts by setting goals and giving feedback. As a result, companies that want to build employees' skills often create mentoring programs

On the advice for Accountants and Auditors who have not joined TAA, he said that the knowledge they acquired from classwork will only be 'sharpened' when rhymed with the skills of the peers who have been in the practical field for some time.

He added: "Knowledge or call it skill acquired from classwork per se is not enough at work unless an Accountant/Auditor meets and shares ideas with members like former Controller and Auditor General (CAG) of Tanzania, CPA Ludovick Utouh, who will challenge and advice you on the journey ahead."

On advice to traders who start or run businesses without hiring Accountants/Auditors, he said that they should visit TAA to offer them professionals, who will help them manage their venture's financial statements, keep books clean, and ensure they have the consistent positive cash flow or are on the road to achieving it.

He added: "A CPA is a professional who is especially qualified to ensure your business's compliance with all tax laws, including obscure ones that business owners can easily miss. This will spare you from audits down the line — and save your business from unexpected penalties and legal trouble."



CPA Martha Igogo

I am happy to be an active member of Tanzania Association of Accountants (TAA) since I joined in 2021 after being briefed about it by my peer-Anitha Masawwe.

When I joined this professional body, I networked and immediately got a job despite not having enough experience set by many employers as prerequisite to land in their firms.

Since I joined TAA, I learnt that their system of collecting members CVs to link them with great employers is an initiative that makes sure that all members are employed and in reputable working firms or organisations. Bravo TAA for this!

Again through TAA, I learnt several things worth sharing with other Accountants/Auditors who have not joined that they are likely to get exposed on other practical things, not necessarily learnt at the higher learning institutions. With that in mind, I would like to call upon other Accountants/Auditors who have not joined to do so, because there are so many things they are missing.

On why the public is advised to hire Accountants/Auditors in the businesses premises, she said: "As an entrepreneur, it can be time-consuming for you to manage your day-to-day operations.



What High School students say about studying Accounts

Sophia Kulwa

In her early 20s, Sophia Kulwa is Agape High School student in Mbagala, who loves Economics, Geography and Mathematics studies leading her to EGM combination in Form Six, and seems to say that her academic life must one time make her a force to reckon with in the mining sector, more so in Finance Department as Chief Finance Officer (CFO).

Shedding light on the position, CFO is the corporate title for the person responsible for managing the company's financial operations and strategy. The CFO reports directly to the Chief Executive Officer (CEO) and has substantial input into the company's investments, capital structure, money management and long-term business strategy.

With such big dream, Sophia, who is also the class monitor is of the opinion that with Tanzania's peace in the Great Lakes Region and being a member of the Southern African Development Community (SADC) bloc of 16 Member States; Angola, Botswana, Comoros, Democratic Republic of Congo, Eswatini, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, United Republic Tanzania, Zambia and Zimbabwe, it is an opportunity for students to study subjects like business, which will not crack their brains trying to eke out a living. "Once in the market, business students like what Accountants study can guarantee one skills to start an economic activities as a sole proprietor or simply self-employed and earn a living," she pointed out.

Michael Rweikiza

With heavy Haya tribe accent traced to Kagera region, Michael Rweikiza is a Kamene Secondary School Form IV student, who talks with charm and would not hesitate to show keenness the way he selects his words to reply to a question.

In the school located within Kimanga ward in Ilala District in Dar es Salaam, students just like their counterparts in the country are competing to pass exams and live their dreams with careers' advice from their teachers and parents.

In his narration, Rweikiza says he longs one time to work as Charles Kichere, who is Controller and Auditors General (CAG) to unearth rot in public institutions.

His school of thought is that once

he passes his 'O' Level exams he wants to study business subjects, which will lead him to become an Auditor to save institutions, whose finances are being swindled and finally collapse instead of growing to employ more Tanzanians.

Asked if he has heard of the Tanzania Association of Accountants (TAA), his reply is that he knows of the National Board of Accountants and Auditors (NBAA), where his dad was once a member.

He added: "My dad used to talk of NBAA being charged with the responsibility of developing, regulating and promoting the accountancy profession in Tanzania and the setting of standards in accountancy related areas, and that motivated him to be a member, till he resigned and died.

Neema John

Learning at Kibasila Secondary School, Neema John (19) is a Form Six student whose hobbies entail reading novels and listening to gospel hymns to rejuvenate her days, which normally begin at 5am.

As the day progresses, she takes into account that her Economics, Commerce and Accounts (ECA) combination study demands are slotted into her day activities in such a way that any topic that has not been fully revised is revisited.

Adjusting her eye glasses, Neema assures that her dream of becoming one of the country's renowned Accountants with PricewaterhouseCoopers must be realized, noting: "A journey of a thousand miles always begins with a short step and this is

precisely, what I am concentrating at here."

Asked why she decided to go for business subjects, she replied that: "Business plays a vital role in our lives. First, they create goods and services to satisfy our needs and wants. Then, they also recruit households as labor and provide them with compensation, such as wages, salaries, and benefits. Thus, it becomes a source of income, which can be used to sustain life. Students graduating with a qualification in business studies can expect to find a diverse range of jobs from accounting to financing, marketing and advertising.

The skills you will learn on your business studies qualification are transferable. They will be useful in a variety of roles, and practically in any kind of business.

How to become a TAA member

For one to become a TAA member, a membership application form is obtained from the TAA secretariat and filled according to instructions with requisite copies of certificates attached thereto.

Also, registration can be done online. The dully filled application form together with a non-refundable registration fee of TZS 20,000/= (accounting student registration fee is 5,000/=) are submitted to the secretariat or online. After approval for admission by the Council, the applicant is notified and required to pay the annual subscription fee, where after the membership ID is issued.

Category of Membership	Application Fees		Annual Subscription Fees	
	Old Fees in TZS	New Fees in TZS	Old Fees in TZS	New Fees in TZS
Provisional, Associates and Fellows	20,000.00	20,000.00	100,000.00	50,000.00
Accounting Technicians	20,000.00	20,000.00	20,000.00	20,000.00
Accounting Firms - Large	20,000.00	20,000.00	300,000.00	300,000.00
Accounting Firms - Medium	20,000.00	20,000.00	300,000.00	200,000.00
Accounting Firms - Small	20,000.00	20,000.00	300,000.00	100,000.00
Training Institutions	20,000.00	20,000.00	200,000.00	100,000.00
Professional Associations	20,000.00	20,000.00	200,000.00	50,000.00
Students' Association	Free	Free	100,000.00	Free
Students	5,000.00	5,000.00	10,000.00	5,000.00

***Come one, Come all Accountants and Auditors.
Because in TAA membership, sky is the limit in
skills development and networking***



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